



Doing Business in Portugal: A Country Commercial Guide for U.S. Companies

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- [Chapter 1: Doing Business in Portugal](#)
- [Chapter 2: Political and Economic Environment](#)
- [Chapter 3: Selling U.S. Products and Services](#)
- [Chapter 4: Leading Sectors for U.S. Export and Investment](#)
- [Chapter 5: Trade Regulations and Standards](#)
- [Chapter 6: Investment Climate](#)
- [Chapter 7: Trade and Project Financing](#)
- [Chapter 8: Business Travel](#)
- [Chapter 9: Contacts, Market Research and Trade Events](#)
- [Chapter 10: Guide to Our Services](#)

Chapter 1: Doing Business in Portugal

- [Market Overview](#)
- [Market Challenges](#)
- [Market Opportunities](#)
- [Market Entry Strategy](#)

Market Overview

[Return to top](#)

Mainland Portugal, along with its semi-autonomous island regions of the Azores and Madeira, offer American exporters a market of approximately 10.3 million people in a country roughly the size of the State of Indiana. As one of the charter members of the European Union (EU), it is fully integrated with the EU, uses the Euro currency and follows directives from the EU Commission in Brussels. As with all EU countries, Portugal's borders and ports are completely open to the free flow of trade with other EU member countries. It is a politically stable environment with a democratically elected parliamentary government and is relatively welcoming of foreign business and investment.

U.S. Census data indicates Portugal bought just over \$1 billion dollars in U.S. goods and services in 2004. However, the total amount of U.S. goods being brought into Portugal is undoubtedly larger, due to the fact that these statistics do not account for U.S. products landed in any other EU country then sold into Portugal. It is common that goods are landed in one EU location and then distributed by ground transport to member state markets. In 2004, The U.S. States exporting the most to Portugal were Louisiana, Arkansas, California, Georgia, Kansas, Arizona and Texas. The top U.S. exports to Portugal were aircraft & parts, electrical power generation equipment, laboratory & medical equipment, and oil seed and grains.

Market Challenges

[Return to top](#)

Recently, the Portuguese market has felt the effects of some political turmoil which saw a popular Prime Minister resign to become EU president. The unelected Prime Minister that stepped in proved to be widely unpopular, causing the President of Portugal to dissolve the government and call for elections in February of 2005, after which, a third Prime Minister in less than a year took the reigns. As such, many government tenders and new projects stalled. The new Prime Minister is battling waves of public dissatisfaction in response to budget austerity measures he introduced to lower Portugal's deficit. The budget tightening has targeted the large public sector. The economy is estimated to have grown by just 0.3% in 2005. We forecast a modest rise over the next two years, with growth of 0.7% in 2006 and 1.5% in 2007.

American exporters face competition in Portugal from savvy European competitors. European companies are already familiar with aspects of the business culture, the financing, the regulations, the standards, etc. and that have the same look and feel throughout Europe. In addition, they do not face import tariffs that U.S. companies have

to pay getting their products into Portugal. Some U.S. companies have reported that they are now encountering their Chinese competitors in Portugal.

Market Opportunities

[Return to top](#)

The current Dollar/Euro exchange rate continues to represent an advantage for U.S. exporters to Portugal and all European countries. A commonly held belief in Portugal is that U.S. products are high quality but uncompetitive on price. All U.S. firms are advised to press their price advantage to break into the market and/or to increase market share. The U.S. Commercial Service in Portugal is seeing renewed interest by Portuguese industry looking for material and component suppliers from the U.S..

The market for U.S. architectural, construction and engineering company services is set to be an interesting one in Portugal in the near future. Public works construction is expected to grow at 5 to 7% in the next five years. Beginning now and continuing to 2012, there are four major projects, which have the full attention of the Government and are considered priorities to move ahead. They are the New Lisbon Airport, High-Speed Rail lines, Renewable Energies and New Port Infrastructure.

As part of the country's economic plan, Portugal will invest 10 billion euros in infrastructure in the next 5 years, therefore, making use of the European Union's structural and cohesion funds that are still available to Portugal. There may be great short and long-term opportunities for U.S. firms in these four major projects.

The Portuguese market is bigger than it looks. There may only be 10 million people in Portugal, but there are well over 200 million people speaking Portuguese worldwide. In fact, it is the 5th most widely spoken language in the world. Former Portuguese colonies including, Macau, Mozambique, Angola and, of course Brazil, have close business ties with Portugal. U.S. companies can readily find avenues to these other markets in Portugal.

Portugal is an excellent entry point or first test-market for a U.S. firm looking to get into the EU. English is widely spoken and the populace is generally very friendly towards Americans. Both physical and IT Infrastructure are well developed and Portugal is still one of the lower commercial cost environments in Europe.

Market Entry Strategy

[Return to top](#)

First time exporters are urged to get in contact with the nearest of over 100 Stateside U.S. Export Assistance Center (USEAC). These USEAC's are part of the worldwide network of U.S. Department of Commerce offices to support U.S. exporting. The U.S. Commercial Service in Portugal recommends that U.S. firms get acquainted with the Portuguese market through the standard market research reports we have published and which are all available through the USEAC's and the Internet. We recommend

doing your EU homework as part of your familiarization efforts. If you have already penetrated one EU country, then you will have met the requirements for Portugal as well.

The quickest and best way to enter the Portuguese market is to work with a local partner. Both small and large U.S. exporters can benefit from finding the right person or group here that can provide advice and contacts. Our offices, located in the U.S. Embassy in Lisbon with a satellite office in Oporto, have a variety of services to help U.S. firms get the information they need about the market and find an agent, distributor or representative for their product or service.

[Return to table of contents](#)

Chapter 2: Political and Economic Environment

For background information on the political and economic environment of the country, please click on the link below to the U.S. Department of State Background Notes.

<http://www.state.gov/r/pa/ei/bgn/3208.htm>

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 3: Selling U.S. Products and Services

- [Using an Agent or Distributor](#)
- [Establishing an Office](#)
- [Franchising](#)
- [Direct Marketing](#)
- [Joint Ventures/Licensing](#)
- [Selling to the Government](#)
- [Distribution and Sales Channels](#)
- [Selling Factors/Techniques](#)
- [Electronic Commerce](#)
- [Trade Promotion and Advertising](#)
- [Pricing](#)
- [Sales Service/Customer Support](#)
- [Protecting Your Intellectual Property](#)
- [Due Diligence](#)
- [Local Professional Services](#)
- [Web Resources](#)

Using an Agent or Distributor

[Return to top](#)

In doing business in Portugal, U.S. business should keep the following points in mind:

- Local Representative. One needs a local representative who must have good contacts in order to be aware of future contracts and to participate in tenders. Portugal is a small country and knowing people in your industry is very important.
- Exclusive Distributor. One distributor that is appointed on an exclusive basis is the ideal.
- The Iberian Peninsula. Portugal and Spain is not one homogeneous marketing area. Normally your Spanish distributor should not be asked to cover Portugal unless the Spanish company is willing to set up a separate Portuguese entity to handle this. The Portuguese may resent the assumption that the Spanish know the Portuguese market. If Spanish distributors consider Portugal an extension of the Spanish market, they are largely ineffective in Portugal.
- Impact of the EU. If homework has been done for other EU markets it is basically done for Portugal. Many projects are EU-funded so an EU partner is desirable and is fundamental when bidding on these.
- Slow Down. Business takes longer compared to the U.S. or northern Europe because personal contacts are important. Your customers want to get to know you before they will trust you.

- Business is Honorable. There are relatively few trade complaints. Because the business community is close knit and many distributors are family-run operations, trade disputes are few and are normally resolved out of court. But, if you do have to resort to the courts be prepared to wait and wait. The Portuguese legal system is hopelessly slow and is the biggest single cause of unresolved U.S. Company trade complaints.

- English is Common. Although Portugal is a European country it looks to the Atlantic and to trade with others. After all, Portugal discovered trade routes to Africa before Columbus landed in America. The Portuguese also opened the first major trading routes to India and the Far East, and administered a vast colonial empire for 500 years. The U.S. is well respected in the market and companies can usually do business in English.

Establishing an Office

[Return to top](#)

In order to establish an office in Portugal, one must create a new Portuguese company that is recognized under Portuguese law. For a foreigner, this process once offered some difficulties. Since 1998, though, the process was simplified with Formality Centers for Companies (CFE), an agency created by the Portuguese Government to help companies bypass the bureaucracy by locating all necessary approval agencies in one place. Commercial Service Lisbon considers CFE to be the most qualified entity to meet a new company's needs. One may use the assistance of a documentation agent (an individual or company specialized in handling administrative procedures to obtain legal documents) or a lawyer.

Any US entity interested in establishing a company in Portugal should visit and discuss the project with both the Commercial Service Office of the American Embassy in Lisbon and the Portuguese Institute of Foreign Commerce (ICEP) in order to obtain additional and useful information about Portugal.

The legal process is as follows:

1. Obtain a Certificate of Approval of the company's name (which may be the parent company name in the United States):

The National Registry of Collective Entities (RNPC) issues the Certificate of approval of the company's name after completion and submission of the necessary forms. This is to ensure that no company is incorporated with a name, which may be confused with that of an existing company, and that the name is in accordance with the company's activities.

One or more of the future shareholders, a representative nominated by them, or by an authorized agent must request the certificate.

The certificate is valid for 180 days and may be renewed within designated time limits.

2. Apply to the RNPC for the provisional identification card for the new company.

To prevent delays, this card should be requested at the same time as the certificate of the approval of the company's name.

The application for this is made to the RNPC with the appropriate forms.

The card is valid for one year and can be renewed if the incorporation process has not been completed.

3. The Deed of Incorporation or Association should be signed in the presence of a notary after the finalization of the Articles of Association. In addition to the names of all the founding shareholders and their identification documents, the following information must be included:

A. The type of company

B. The company's name

C. The activities of the company

D. The registered office

E. The share capital (except for General Partnerships, when all the Partners contribute personal services in exchange for their shares)

F. The number of shares and the holding of each shareholder

G. If the subscription is not in cash, a description should be given and an auditor's report on the value of the assets being contributed in exchange must be made.

H. Open a bank account in the name of the new company being created and deposit its initial capital (registered capital) in one of the local banks.

4. Provide the fiscal year-end, if different from the calendar year.

5. Provide a declaration of commencement of activities:

The company must file a form - Declaration of Commencement of Activities - with the local tax office for the area of its head office. This effects registration for taxation purposes and must be submitted within 90 days of registration at the RNPC and before any activity takes place.

6. Register at the commercial registry ("Conservatória do Registo Comercial"):

The registration of the company's incorporation must be made within 90 days of the signature of the deed.

The Memorandum of Association must be published in the official gazette - Diário da República. This is the responsibility of the Conservatória do Registo Comercial that must also ensure its final registration with the RNPC and its publication in a national newspaper.

The Conservatória do Registo Comercial ensures that the final registration takes place at the RNPC, which then issues the final identification card of a collective person (NPC)

7. Register the foreign investment with ICEP.

CFEs – Formality Centers for Companies

These CFE's were created by ICEP to streamline the bureaucratic procedures above for establishing a business. Following are the steps involved:

CFEs

- A. Request a certificate of approval of the company's name.
- B. Obtain a provisional identification card from the National Registry of Collective Persons (RNPC).
- C. Execute the deed of incorporation.
- D. Provide a declaration of commencement of activities.
- E. Assist when applying for the Commercial Registry.
- F. Register the firm in the National Registry of Collective Entities.
- G. Register with Social Security.

The CFEs also provide information and counseling on:

Legal requirements regarding any entrepreneurial activity

Licenses

Permits

Tax obligations and benefits

Tax and legal advice

Industrial activities must be licensed by any delegation of the Ministry of Economy co-located at one of the five Regional Coordinating Committees of the national government. Commercial activities generally do not require licensing.

For commercial activities related to public health or security, a license must be issued by the DGC - Direcção Geral do Comércio (General Directorate for Commerce).

The Portuguese franchising market has grown steadily over the past decade and enjoys an annual growth rate of 4-8%. Even though the most developed segment of franchising in Portugal is clothing, the fast-food sector represents about 15% of the total market. Services are currently the fastest growing segment, yet to be developed. Portugal's entrance into the global economy in the last decade has created a demand for business services, in general. However, other sectors should be considered, since Portugal offers many opportunities for expansion and the market still has considerable room for new, internationally known franchising concepts (*see Best Prospects*).

Direct Marketing

[Return to top](#)

Since 1989, mail order and TV-sales have become effective direct marketing methods and have grown rapidly. Between 1998 and 2002 sales growth was estimated at 17% and presently there are more than 50 direct marketing firms in the market. The most popular direct marketing sectors are cultural, instruction/training and amusement materials (35% of sales) and apparel and clothing (19% of sales). Other successful areas are home furnishings, perfumes and cosmetics, and art/collectible products.

The expansion of this type of marketing has not been greater because Portuguese mailing expenses are still high and consumer confidence in direct marketing methods is low. Portuguese consumer protection regulations and laws are considered adequate. Authorities implementing controls and conducting inspections, nevertheless, often fail to do so effectively.

Direct marketing is increasing in importance as a sales method and is expanding every year to new areas of activity. Although relatively less developed than in many other EU countries, "E-commerce" has brought a new life to the sector and allowed the emergence of very successful shops of office supplies, computer hardware/software, groceries, clothing, and books.

Joint Ventures/Licensing

[Return to top](#)

Joint ventures and licensing are alternative ways to enter the Portuguese market. Joint ventures between American and Portuguese firms are treated under Portuguese law as a foreign investment operation, which may take the form of any type of business firm. With regard to tax treatment and incentives, both domestic and foreign-owned are treated equally. Special regulations apply to investment in some sectors as explained in Chapter VII.

Licensing is a contractual arrangement, in which the licensor makes available or sells its know-how, patents, trademarks or copyrights to a licensee for compensation. Franchising could be considered as an important form of know-how licensing.

American firms should, perhaps, be reminded of the obvious: As a fully integrated member of the EU, Portugal abides by the foreign trade and investment rules that govern the rest of the EU. Whatever applies in other EU countries applies to Portugal. If an American firm is mastering EU regulations prior to exporting or investing in the EU, it has already done its homework for Portugal. However, enforcement of some intellectual property rights laws is still weak.

Selling to the Government

[Return to top](#)

Portugal follows the EU directive to the GATT Procurement Code but has a derogation covering utilities such as water, transportation, energy and telecommunications. Portugal also ratified the decisions of the Uruguay Round, regarding government procurement.

Depending on the amount, government procurement may be made by direct consultation, national and/or international tenders. National and international tenders are published in the Portuguese Official Journal (Diario da Republica, Series III) and in the major Portuguese newspapers.

International tenders are also published in the EU Official Journal (Series F).

Distribution and Sales Channels

[Return to top](#)

The Portuguese population is concentrated on the coast. The major distribution centers are Lisbon in the South and Porto in the North, although the regional centers of Braga (north of Porto) and Setubal (South of Lisbon) have come much into their own in recent years. The Lisbon region accounts for 21% of Portugal's population with 63% employed in services and 33% employed in industry. Major industries as well as the head offices of many large corporations are located here. Most financial institutions have also chosen Lisbon to locate their headquarters. The Lisbon area has the highest purchasing power in the country and suffers, like many metropolitan areas, from traffic congestion and rising costs. Porto is the most dynamic industrial development area in Portugal. It accounts for 16% of the Portuguese population and is also an area of high purchasing power. Most importers and distributors have offices in Porto and US firms looking to appoint a distributor in Portugal should not overlook this fact. The Commercial Service maintains an office in Porto primarily to locate and to service these distributors. Porto is now connected to Lisbon by a new motorway and a new bridge over the Douro River. The coastal region between these two, and extending into Braga and Setubal, is where the large majority of Portuguese industries are located.

Portugal is a relatively small country and most sales channels cover the entire territory. Distribution centers tend to be located in Lisbon and Porto. However, many large importers and wholesalers have branch sales offices and/or sub-agents or dealers in the

principal cities and towns, including those of the Portuguese islands of Madeira and the Azores.

Selling Factors/Techniques

[Return to top](#)

In Portugal modern techniques still coexist with some traditional practices. Modern sales techniques are generally accepted and effective but traditional values continue to be respected. Many businesspeople still consider a personal contact and a handshake stronger than a contract but they will not be offended if a formal contract is requested.

In the last few years, Portuguese consumers have seen their purchasing power increase every year and increasingly buy on impulse. Direct sales, large hypermarkets and shopping malls are becoming common. For consumer goods the decisive selling factors may be price, quality, brand name or the product's innovative features. However, the institutional buyer is quality conscious and very sensitive to pricing. Most tenders consider price first and quality second. These characteristics, as well as its market size sometimes make Portugal a difficult market for some American exporters. A good understanding of market needs and the demand for new opportunities should lead to profitable niches for the American exporter.

Electronic Commerce

[Return to top](#)

E-commerce is one of the fastest growing sectors in the country that offers great potential for U.S. companies. For more information on this investors should be aware of the **Directive 95/46/EC of the European Parliament and of the Council** of October 24, 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data.

Trade Promotion and Advertising

[Return to top](#)

As in all Western countries some of the preferred techniques to reach Portuguese buyers effectively are advertising and trade promotions. Portugal offers a reasonably priced market in which to advertise. Advertising media is the same as in the majority of developed Western countries: newspapers, magazines, TV and more recently Internet advertising are the most popular.

In Portugal there are a number of annual specialized international trade shows at the Feira Internacional de Lisboa (FIL) and at the EXPONOR trade center near Porto, which also are excellent means to advertise. In addition, the various associations' commercial bulletins are a very important client-directed promotion.

CS Lisbon can provide a list of major newspapers and business journals, upon request.

Pricing

[Return to top](#)

Pricing is the most common reason why a number of U.S. products offered in Portugal are not competitive. Pricing of U.S. products sometimes reflects the dealer price in the United States.

This often includes the exporter's marketing overhead that:

- 1) must be recalculated generally downward to properly account for actual expenses in the Portuguese market;
- 2) must not be a "double-counted" expense that add Portuguese marketing expenses on top of "built-in" American marketing expenses.

The most appropriate method of pricing a product for the Portuguese market is marginal cost pricing. This would be the marginal unit cost of production in the United States, plus Portuguese market-specific costs associated with overseas promotion, labeling and packaging expenses. A profit margin added to the other pricing components, should leave the product competitive.

Portuguese importers currently accept the more common terms of international trade (C.I.F, C&F., F.A.S., F.O.B. or Ex point of origin). They prefer to receive C.I.F. quotations or at least F.O.B. quotations including detailed product description, gross and net shipping weight, volume and time of shipment (from where the delivery is made) and delivery. Pro forma invoices with all the above details are not mandatory but are advisable and desirable.

Sales Service/Customer Support

[Return to top](#)

In Portugal there are no rules or current practices regarding sales service/customer support. It is the special nature of the American product or service exported that determines the desirability of this support. However, in representation/agency/distributorship agreements, sharing promotion expenses and cooperating in marketing strategies or technical assistance could add valuable marketing leverage.

Protecting Your Intellectual Property

[Return to top](#)

Trademark Protection - Portugal is a member of the European Union for the Protection of Industrial Property (WIPO), a party to the Madrid Agreement on International

Registration of Trademarks and Prevention of the Use of False Origins. Portugal's current trademark law entered into force on June 1, 1995 and is consistent with the terms of the trade related intellectual property provisions of the World Trade Organization (WTO), Trade Related Aspects of Intellectual Property Rights (TRIPS).

Copyright Protection - The Government of Portugal still is in the process of amending national copyright legislation to conform to EU directives and the copyright provisions of TRIPS. In July 2000, the country adopted the EU directive on protection of databases. However, unauthorized reproduction of software remains a problem, despite modest success of efforts by the Portuguese Association of Software Distributors (ASSOFT) to discourage piracy and improve enforcement. While the piracy rate has decreased over recent years, it remains one of the highest in Europe.

Patent Protection - As stated above, Portugal is a member and a party to the Madrid Agreement. The Munich Convention on European Patents went into effect in 1992. To conform to the trademark and patent provisions of the WTO (TRIPS), Portugal passed a new Code of Industrial Property effective in 1995, but this law proved inconsistent with TRIPS in certain regards. Specific legislation was passed in 1996 extending the term of patents applied for or already in force on January 1, 1996, to the TRIPS consistent 20-year-from-date-of-filing term. The existing code, however, still does not include provisions to protect test data unless submitted as part of a patent application.

Due Diligence

[Return to top](#)

The U.S. Commercial Service in Portugal assists U.S. firms identifying the opportunities and risks of cross border transactions, in general: supports bids in competitive tenders; briefs U.S. firms as required; provides information on key risks in the business; advocates on behalf of U.S. firms.

However, for complex transactions and issues, our office can provide lists of attorneys and law offices, as well as accounting/consulting firms specialized in due diligence, as well as in helping investors achieve the best value for a transaction.

Local Professional Services

[Return to top](#)

Using an attorney is not mandatory to do business in Portugal. Most transactions may be accomplished without an attorney, including the establishment of small non-complex businesses. However, attorneys are strongly recommended to solve some types of trade disputes and for the establishment of local offices such as joint venture investments with local entities or as 100% subsidiaries. For some complex types of licensing, representation/distribution and franchising, an attorney is also recommended to assure compliance with local law.

SBA's Office of International Trade: <http://www.sba.gov/oit/>
OPIC - Overseas Private Investment Corporation: <http://www.opic.gov>
TDA - Trade and Development Agency: <http://www.tda.gov/>
IAPMEI – Instituto de Apoio as Pequenas e Medias Empresas
(Institute for the Small and Medium-size Companies): <http://www.iapmei.pt>
API – Agencia Portuguesa p/o Investimento
(Portuguese Agency for Investment): <http://www.apinvest.pt>
ICEP – Investimentos, Comercio e Turismo de Portugal
(Investment, Commerce and Tourism of Portugal): <http://www.icep.pt>
CFE – Centros de Formalidades das Empresas
(Formality Centers for Companies): <http://www.cfe.iapmei.pt>
FIL – Feira Internacional de Lisboa
(International Fair of Lisbon – Convention Center): <http://www.fil.pt>
WTO – World Trade Organization
(Intellectual Property): <http://www.wto.org>
GPA - Government Procurement Agreement: <http://www.eu.int>

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 4: Leading Sectors for U.S. Export and Investment

- [Agricultural Sector](#)

Commercial Sectors

- [Telecommunication Equipment \(TEL\)](#)
- [Medical Equipment \(MED\)](#)
- [Pollution Control Equipment \(POL\)](#)
- [Franchising \(FRA\)](#)
- [Laboratory and Scientific Instruments \(LAB\)](#)
- [Travel and Tourism Services](#)

Telecommunication Equipment (TEL)

Overview

[Return to top](#)

	2003	2004	2005 (estimated)
Total Market Size	2945	3439	3676
Total Local Production	1126	1423	1541
Total Exports	127	127	127
Total Imports	1819	2016	2134
Imports from the U.S.	158	249	296

(Exchange Rate (2004): 1US\$ = 0,83 Euros)

Data transmission services are fully liberalized in Portugal. Mobile telephone service was privatized in 2000 and fixed line telephone service at the beginning of 2001. Portugal Telecom, the former Government telecommunications monopoly and the largest market player, became a private entity. After the full liberalization of the Portuguese telecommunications sector, most of the new fixed operators are now out of business and Portugal Telecom controls 92 percent of the market.

New private operators blame the failure to privatize the fixed net on GOP mismanagement, especially regarding the lack of access to the local loop, the last link in the fixed telecommunications net that permits access to the final customer. Some of these operators have suggested mergers to create new companies, which could compete with Portugal Telecom in the fixed telecommunications business. Many experts feel that only one strong competitor can exist with Portugal Telecom in this small market of 10 million people.

The Portuguese mobile telephone market keeps growing. In 2004, revenues generated by the three major Portuguese operators were over 3.9 billion dollars. Actual mobile phone market penetration is over 92 percent of the population (roughly 10 million people).

In 2001, Portugal also inaugurated the most ambitious and innovative television project on an international level. TV Cabo, part of Portugal Telecom, and the major television operator in Portugal, partnered with Microsoft Corporation to launch digital interactive TV. This revolutionary technology, which Microsoft is piloting in Portugal, permit home TV shopping, home banking, TV Internet navigation, and even access to one's home utilities via remote Internet.

Best Products/Services

[Return to top](#)

- Automatic answering machines
- Call blocking devices
- Paging, call forwarding, messaging, and voice mail
- Alarm receivers and transmitters
- Electronic banking networks

- Broadband ISDN voice data and image transmission
- Software/hardware to upgrade customer billing and assistance services
- Submarine fiber optic cable
- Cable TV and decoding systems

Opportunities

[Return to top](#)

The telecommunications market in Portugal is expected to continue to grow. Imports constitute 73% of the total market and the U.S. real share is much higher than the 3,5% reported because most U.S. exports to Portugal come through other European Union countries. There are many opportunities for American companies to expand their business in this area.

The most promising sub sectors within the sector and corresponding market size are:

- Cellular terminals
- Switching equipment
- Fixed terminals

Resources

[Return to top](#)

Import and export statistics for 2004 were provided by INE- Instituto Nacional de Estatística and ICEP – Instituto do Comércio Externo de Portugal (the Portuguese National Statistics Institute and the Foreign Commerce Institute). All other statistics are unofficial estimates.

Medical Equipment (MED)

Overview

[Return to top](#)

	2003	2004	2005 (estimated)
Total Market Size	494	582	663
Total Local Production	145	148	150
Total Exports	83	69	74
Total Imports	432	503	560
Imports from the U.S.	45	51	57

2003 Exchange rate USD 1 = EUR 0.89

2004 Exchange rate USD 1 = EUR 0.79

2005 Exchange rate USD 1 = EUR 0.76

2003 and 2004 (Jan-Oct) Statistical data were provided by ICEP-Instituto do Comércio Externo de Portugal (the Portuguese Foreign Commerce Institute) and cover HS codes 9018, 9019, 9020, 9021 and 9027.

Best Prospects/Services

[Return to top](#)

There is EU harmonized legislation governing the importation of medical devices in Europe. As in other EU countries, it is required that medical devices imported from third countries being sold in Portugal undergo an analysis test by an accredited entity in the EU. If devices pass this test, they are marked "CE" and may then move freely and be sold in all countries throughout the EU.

The table below demonstrates U.S. imports for 2003 and 2004 and an estimate of an 7% increase for 2005. Figures for 2003 and 2004 (Jan-Oct) were obtained from ICEP-Instituto do Comercio Externo de Portugal.

In 2004 the U.S. was the third largest supplier to Portugal of HC 9022 which covers X-Ray Apparatus; Tubes, Panels, Screen and related equipment. Germany and Spain were the largest suppliers respectively.

HS	2003	% 03/04	2004 Jan/Oct	2004 Estimate	% est.	2005 Estimate
9002	216,406	-5%	172,189	206,626	7%	229,817
9018	26,945,927	2%	22,795,042	27,354,050	7%	30,424,182
9019	4,613,469	18%	4,549,216	5,459,060	7%	6,071,767
9020	47,287	197%	117,157	140,588	7%	156,368
9021	7,198,924	-20%	4,793,075	5,751,690	7%	6,397,241
9022	664,096	748%	4,694,716	5,633,660	7%	6,265,964
9025	158,797	87%	248,106	297,728	7%	331,144
9027	5,351,967	17%	5,210,752	6,252,902	7%	6,954,708
TOTAL	45,196,871	12.6%	42,580,253	50,889,677	7%	56,831,192

HC- Harmonized Code Description

9002 Optical Elements, Mounted; Parts & Accessories
 9018 Medical, Surgical, Dental or Vet Inst, No Elec, Pt
 9019 Mech-Ther, Massage, Psych Test, Ozone App Etc, Pts
 9020 Breathing Appliances & Gas Masks Nesoi; Parts Etc
 9021 Orthopedic Appl; Artif Body Pts; Hear Aid; Pts Etc
 9022 X-Ray Etc Apparatus; Tubes, Panels, Screen Etc, Pt
 9025 Hydrometers, Thermometers, Pyrometers Etc; Pts Etc
 9027 Inst Etc For Physical Etc Anal Etc; Microtome; Pts

Opportunities

[Return to top](#)

The Portuguese economy experienced a difficult period. The health care sector, however, continues to be a priority. During the past five years new hospitals were built and existing ones renovated. New hospitals will continue to be built and existing ones will be upgraded and renovated until all European Union standards and requirements are met. The Portuguese Minister of Health recently announced promoting the construction of 10 new hospitals by year-end 2008. Eight hospitals will substitute existing ones and two will be new hospitals. The total investment for these hospitals is expected to be around 600 million Euros. Financing will be granted by partnerships of private and public entities and international public bids for the construction open during 2003 and will continue during 2004 and 2005. Separate reports on each hospital are available on <http://www.export.gov>.

The Portuguese market for medical equipment, instruments and supplies grows with the continuous demand for innovative instruments and apparatus. Although the U.S. is not the number one supplier to Portugal, it continues to be perceived as a preferential supplier of dependable top quality products.

As the health care sector upgrades during the next three years, the Portuguese market for medical equipment, instruments and supplies is expected to grow at a steady rate of 7%.

In 2005, Portugal has still not yet met all standard requirements imposed by the EU. The massive infusion of EU structural funds has promoted faster economic growth in this sector compared to other sectors and compared to other EU countries. The continuing construction of new hospitals and renovation and upgrading of existing ones has created an extraordinary market demand for all types of medical equipment.

Resources

[Return to top](#)

Statistical data for this report was obtained from:

INE-Instituto Nacional de Estatística: <http://www.ine.pt>

ICEP-Instituto do Comercio Externo de Portugal: <http://www.icep.pt>

Pollution Control Equipment (POL)

Overview

[Return to top](#)

	2003	2004	2005 (estimated)
Total Market Size	246	257	284
Total Local Production	39	42	44
Total Exports	20	21	22
Total Imports	227	236	262
Imports from the U.S.	16	18	21

As a member of the EU, Portugal is required to incorporate into its environmental laws all the EU's environmental directives issued by the Community, including standards for water and air quality, and urban solid waste treatment and recycling.

Best Prospects/Services

[Return to top](#)

The best sales prospects for U.S. exporters include filtering and purifying machinery and apparatuses, sensors and analyzers, recycling equipment, and heavy metal collecting equipment

Opportunities

[Return to top](#)

Environmental Engineering and Public Utilities Services. Some areas that offer the best opportunities are: environmental impact studies and assessments; hazardous waste; privatization of water and waste water treatment; and privatization of street cleaning, waste collection, separation, recycling, incineration and operation of sanitary landfills and solid urban waste (SUW).

Resources

[Return to top](#)

Over the next five to ten years, several billion dollars will be spent on solutions to Portugal's environmental problems.

Municipalities are responsible for water supply, wastewater treatment and urban solid waste management in the geographical areas under their jurisdiction. Following EU strategies, the municipalities are increasingly interested in privatization of environmental services. The trend to privatize services has created a market for engineering/consulting and environmental services companies in Portugal. U.S. environmental service companies may be interested in making specific joint-venture agreements with Portuguese companies to enter this market.

Franchising

Overview

[Return to top](#)

	2003	2004	2005 (estimated)
Total Market Size	2833	3018	3200
Total Local Production	1162	1238	1313
Total Exports	N/a	N/a	N/a
Total Imports	N/a	N/a	N/a
Imports from the U.S.	n/a	n/a	n/a

*USD millions

Best Prospects/Services

[Return to top](#)

- Children's & Elderly Services
- Business/Private Services
- Automotive Services
- Environmental Products & Services
- Educational Services
- Entertainment

Opportunities

[Return to top](#)

The Portuguese are very receptive to franchising and are still looking for new concepts.

Services in general, are the "new needs" of Portuguese consumers, due to their growing well-being. Even though services has a large share of the market, 38.7 percent, it is not yet fully developed. Of these 38.7 percent, business services has a share of 22.9% and services to individuals a share of 15.8 percent. Quality services are very important to Portuguese consumers, they are willing to pay a higher price for quality.

At present there are 370 franchisors operating in the market and the number of franchised units is estimated at 8512. Currently, Portuguese franchisors represent 37.2 percent of the total franchise units in the country, followed by Spain with 25.9 percent, the U.S. with 13.2 percent and France with 8 percent. Even though Portugal is a small market, 10 million people, franchising as a business concept has not yet reached full maturity. Portugal's greatest

concentration of franchises are in the retail clothing area with 49.5 percent of the market share, followed by services with 40.7 percent.

There are no barriers for foreign-owned franchise companies in Portugal. The open market mentality and credit access provide excellent opportunities for companies to operate.

Resources

[Return to top](#)

IF – Instituto de Informacao em Franchising, Lda.
(Franchise Institute)
Rua Bernardo Lima 48-4o.
1150-077 Lisbon
Tel: (351) 21 033 4455
Fax: (351) 21 033 4411
www.infofranchising.pt

APF – Associacao Portuguesa de Franchise
(Portuguese Franchise Association)
Rua Viriato 25-3o. Dto.
1050-234 Lisboa
Tel: (351) 21 319 2938
Fax: (351) 21 319 2939
www.apfranchise.org

Laboratory and Scientific Instruments (LAB)

Overview

[Return to top](#)

	2003	2004	2005 (estimated)
Total Market Size	106	131	176
Total Local Production	4	4	5
Total Exports	3	3	4
Total Imports	105	130	175
Imports from the U.S.	23	24	27

The market for Laboratory and Scientific Instruments is supported by healthy growth in the pharmaceutical, food processing and biotechnology industries. Analytical instruments usage is rising rapidly in many areas, including pollution monitoring and industrial quality control. In addition private testing laboratories, including drug analysis, offer a growing market. On-line analytical instruments are penetrating the traditional process control market as customers require faster and more accurate data to improve control of product processes for better quality and less waste. Accordingly, there will be an increasing market for U.S. analytical instruments.

Best Products/Services

[Return to top](#)

The best sales prospects for U.S. exporters include gas or smoke analysis apparatus, chromatographs, spectrometers, chemical analysis instruments

Opportunities

[Return to top](#)

American Analytical Instruments enjoy a reputation of being innovative and of high quality. U.S. suppliers will continue to face strong competition from the EU, even though they should maintain a good position in the market as software becomes a more important factor in the performance of equipment

Resources

[Return to top](#)

Control of AIDS has become a major concern for the Portuguese health authorities. The various public health care institutions represent a good market for laboratory analytical and scientific apparatus. New and stricter environmental policies will force most manufacturing industries to thoroughly analyze not only their products but also their other outputs, residues and by-products. The Portuguese Government has released new and stringent air emission standards and waste water effluent discharge standard which were put into effect for all newly-established factories and will need to be put into effect by existing factories during next years and will need to be put into effect by existing factories over the few years. In addition to environmental equipment, new quality control measures in the food industry require sophisticated production-line testing equipment.

Travel and Tourism Services

Overview

[Return to top](#)

	2003	2004	2005 (estimated)
Total number of travelers to the USA (pleasure and business)	457,461	485,237	514,351
Total number of Portuguese travelers to the USA for vacation (thousands)	54.572	66.287	74,240
Total spending by Portuguese while visiting the USA (millions)	USD 2.9	USD 3.8	USD 4.6

Exchange rate: Euro 1 = USD 0.83

Sources: TIA-Travel Industry Association
DGT –Direccao Geral de Turismo
(Unofficial estimates)

10 – TRAVEL AND TOURISM (TRA)

NARRATIVE:

With a strong Euro, safer airports and inviting airfares, the U.S. is becoming a popular destination again. Portuguese tourism inflow to the U.S. continued to grow steadily in 2004 compared to 2003 and statistics reported a growth of 7 % totaling 292,747 visitors to the US. Major Airports for incoming Portuguese travelers are Newark with flights operated by TAP-Air Portugal and Continental Airlines, Boston Logan International operated by SATA-Azorean Airline and New York JFK operated by a local charter company, Air Luxor.

The entry of Portuguese visitors into the U.S. increased from approximately 79,413 in 1999 to 86,333 in 2000, a jump of 8.7%, placing Portugal in 46th place of the top 55 overseas markets. From 2000 to 2001, tourism from Europe to the U.S. dropped by 18.7%. An increase of 4% is predicted in 2003 but only by 2006 are values predicted to reach 2000 figures.

Best Products/Services

[Return to top](#)

The media, travel agents and tour operators have a major influence in promoting specific countries as holiday destinations outside Portugal and 2005 is tuned in the U.S.A.. Tourism to the U.S. in 2005 should place Portugal in the Top 50 countries entering the U.S.A again.

CS Portugal continues its effort to promote the United States as a tourism destination. Working closely with the media allows CS Portugal to promote press familiarization trips (fams) and along with tour operators, generate interest in certain regions of the United States. The media, travel agents and tour operators have a major influence in promoting specific countries as holiday destinations outside Portugal among end-users.

CS also maintains close contact with State Tourism Offices and other Tourism entities to organize the press fam trips to the destinations we promote.

Opportunities

[Return to top](#)

Due to large concentrations of Portuguese in certain areas of the United States and the number of Portuguese travelers going to the US to visit family and relatives, we will continue to promote current destinations: California, Maryland, Massachusetts, New Jersey and Rhode Island.

Portuguese travelers are also concentrating on theme vacations such as golf, snow, spa vacations

Resources

[Return to top](#)

TIA-Travel Industry Association www.tia.org

DGT-Direcção Geral de Turismo www.dgturismo.pt

DGT is the Portuguese Tourism Department of the Secretary of State for Commerce and Tourism, in conjunction with the National Statistical Institute, compiles the annual Portuguese Vacation Trends Report. In order to more accurately report on Portuguese vacation trends, the Commercial Service Lisbon also obtains data from the Portuguese Airport Authority (ANA-Aeroportos e Navegação Aérea).

ANA-Aeropotos e Navegação Aérea www.ana-aeroportos.pt

Embassy Contacts

Street address:

The Commercial Service Lisbon

American Embassy

Av. Das Forcas Armadas - Sete Rios

1600 Lisboa, Portugal

Tel: (351-21) 094-3300

Fax: (351-21) 726-8914

E-mail: office.lisbon@mail.doc.gov

Mailing address:

The Commercial Service Lisbon

American Embassy

PSC 83 Box FCS

APO AE 09726

Contacts:

Gregory Taevs
Commercial Attache
Tel: (351-21) 770-2526
Fax: (351-21) 726-8914
E-mail: gregory.taevs@mail.doc.gov

Ana Paula Vila
Tourism Specialist
Tel: (351-21) 770-2532
Fax: (351-21) 726-8914
E-mail: ana.vila@mail.doc.gov

Market Opportunities

- U.S. agricultural exports were dominated by oil seeds, grains and grain by-products, and forestry products.
- The EU Ministers Council approved a reform of the Common Agricultural Policy (CAP) in June 26, 2003. CAP reform is expected to result in support programs that are more market oriented with the aim of making EU farming more competitive in world markets. The Government of Spain (GOS) is implementing the reform in CY-2006, while Portugal implemented most of the reform during 2005.
- In April 2005, the EU reformed the olive oil, tobacco, cotton and hemp programs, and has started to revise the sugar and fruit and vegetables support programs. We expect the CAP Reform to lead to a substantial crop substitution.

Principal Growth Sectors:

Feed ingredients
Seafood
Tree Nuts
Dried Fruit

Note that the Foreign Agriculture Service provides market info for the Iberian Peninsula, which includes Spain and Portugal. See Chapter 4 for more details on the sectors indicated above.

Tree Nuts**Overview**

	2003	2004	2005
			Estimated
Total Market Size	305,082	235,531	389,900
Total Local Production	273,937	162,071	277,000
Total Exports	110,944	93,433	73,000
Total Imports	142,089	166,893	185,900
Imports from the U.S.	65,590	76,017	86,100

(Metric Tons)

The tree nut market is a very important market in the Iberian Peninsula with the United States being the primary supplier of tree nuts to Spain. In Spain, domestic consumption of tree nuts is increasing due largely to increased health awareness, due to the Mediterranean diet in particular. In addition, nuts are being promoted in medically

prescribed diets as well as exercise diets for students and physically active people. Domestic consumption of tree nuts is high in the confectionary sector. This sector absorbs most of the local production. Imports of almonds are also high.

Best Prospects/Services

In Spain, U.S. exports of tree nuts in 2004 increased by fifteen percent to 74,975 tons when compared with 2003 at 65,135 tons. In 2004, U.S. almonds imports increased by 18 percent to 54,422 tons. The U.S. share of the Spanish almond market is expected to remain unchanged at about 90 percent. Spain is a major processing and distribution center for California almonds in Europe.

In Portugal, almond imports in 2004 increased by 40 percent to 2,160 tons when compared with the 2003 total imports of 1,551 tons. U.S. almond imports increased by 157 percent, from 336 tons in 2003 to 864 tons in 2004. In 2004, U.S. market share is 18 percent of total almond imports. Imports of almonds are expected to remain high due to the traditional Portuguese confectionary sector.

Pulses

Overview

	2003	2004	2005
			Estimated
Total Market Size	990,073	1,567,356	1,151,000
Total Local Production	539,558	595,072	264,000
Total Exports	34,772	40,689	38,000
Total Imports	485,287	1,012,973	925,000
Imports from the U.S.	36,869	33,574	33,000

(Metric Tons)

Domestic consumption of pulses is high in the Iberian Peninsula market, particularly dry edible beans, which are an important component of the Spanish and Portuguese diets. Also, Iberian processors are processing and re-exporting processed dry edible beans to the EU market.

Best Prospects/Services

In 2004, total imports of pulses increased by 209 percent to 1,012,973 tons when compared with 2003 levels at 485,287 tons. Most of these imports are dry edible beans where the U.S. is a strong competitor.

Seafood

Overview

	2003	2004	2005
			Estimated
Total Market Size	1,994,205	1,940,384	2,069,000
Total Local Production	1,057,077	1,085,526	1,170,000
Total Exports	819,746	819,690	821,000
Total Imports	1,756,874	1,674,548	1,720,000
Imports from the U.S. (Metric tons)	42,222	42,189	41,000

The Iberian Peninsula total catch continues to decline as a result of lower fish stocks and limits on catches in both EU and non-EU waters. In addition, aquaculture production continues to expand to meet demand.

Best Prospects/Services

Due to the weaker dollar vis-a-vis the Euro, U.S. seafood products will likely continue to be very competitive in the Iberian Peninsula market. Frozen cod, and salted wet cod for processing as well as squid and certain minced fish products will likely remain the top sellers.

Hardwood

Overview

	2003	2004	2005
			Estimated
Total Local Production (1000 M3)	24,422	22,300	21,500
Total Exports (\$ Million)	198	210	225
Total Imports (\$ Million)	1,418	1,523	1,590
Imports from the U.S. (\$ Million)	218	224	230

Post forecasts stable-to-slightly higher demand during 2006 for forest products in the Iberian Peninsula market, with U.S. forest products exports showing an increase in 2005.

Best Prospects/Services

The Iberian furniture sectors, as well as components for the house-building sector, are strong sectors in this market. Local production is not sufficient to supply these important sectors of the Iberian economy. Hardwood imports are expected to continue increasing.

Import Tariffs

For agricultural products, import documentation and tariffs are exactly the same as for other EU countries. While some agricultural commodities are duty free or subject to minimal duties, such as soybeans, sunflower seed, corn by-product and lumber, the great majority of agricultural products covered by the EU's Common Agricultural Policy (CAP) and food products are subject to high duties or variable import levies which significantly restrict access to the Portuguese market.

Import/Export Documentation

Sanitary Certificates: Sanitary certificates, established at the EU level, are required for the importation of living plant material, including plants, plant products and seeds. Health inspection requirements also govern the importation of animals, meat products, marine mammals, fish, crustaceans, or molluscs and parts thereof. However, exports of these products must originate from plants included in the EU list of establishments approved to export to the EU.

Prohibited and Restricted Imports

EU regulations on hormones ban most U.S. beef and beef products from entry into the EU, and preclude the importation of certain live cattle. The U.S. successfully challenged the EU hormone ban at the World Trade Organization, but the EU has not yet opened its market to hormone-treated beef. The EC has instead opened a quota for the import of hormone-free U.S. beef. <http://www.useu.be/issues/hormonedossier.html>

Labeling and Marking

Foodstuffs: The Directorate General of Health implements human consumption standards for the preparation, residue content and storage media for virtually all foodstuffs. Labelling must conform to EU labeling requirements and must be in Portuguese.

New EU legislation on the labeling and traceability of genetically modified organisms (GMOs) in food and animal feed came into effect on April 18, 2004. As of this date, all foods produced from GMOs must be labeled as such, even if they no longer contain any detectable DNA or protein. "Traceability" of GMO products through the production chain is also a feature of the new legislation. The GMO content of products must be notified along the production chain and kept on file for five years.

<http://www.useu.be/agri/label.html>

Agricultural products: Labeling requirements are fully harmonized with the EU labeling system <http://www.useu.be/agri/label.html>; however, the labels must be in Portuguese.

Web Resources

U.S. Mission to the EU - hormones: <http://www.useu.be/issues/hormonedossier.html>

U.S. Mission to the EU - agri/labeling: <http://www.useu.be/agri/label.html>

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 5: Trade Regulations and Standards

- [Import Tariffs](#)
- [Trade Barriers](#)
- [Import Requirements and Documentation](#)
- [U.S. Export Controls](#)
- [Temporary Entry](#)
- [Labeling and Marking Requirements](#)
- [Prohibited and Restricted Imports](#)
- [Customs Regulations and Contact Information](#)
- [Standards](#)
- [Trade Agreements](#)
- [Web Resources](#)

Import Tariffs

[Return to top](#)

Member states of the European Union have established a Community Integrated Tariff (TARIC) system, where duties are applied to imports from non-EU countries. TARIC was established by the 1958 Treaty of Rome as part of the European Economic Community (EEC). The Uruguay Round has reinforced the Single Market program. There are combined bilateral, regional, and multilateral policies.

Duties on imports from non-EU countries, including the United States, are levied on an ad valorem basis. Most raw materials enter duty-free or at low rates, most manufactured goods are subject to rates between 5 and 17 percent. The minimum tariff schedule is applied to goods originating in countries entitled to the benefits of most-favored nation treatment (members of the General Agreement on Tariffs and Trade (GATT) and countries with which the EU has signed trade agreements). Most agricultural product imports are covered by the Common Agricultural Policy (CAP), subjecting many items to varied levies designed to equalize the prices of imported commodities with those produced in the EU. Agricultural products are strictly regulated based on EU standards. Special tariffs exist for tobacco, alcoholic beverages, petroleum and automotive vehicles. Please note that importers must pay the value-added tax (IVA) which ranges up to 21% in full at the time of importation from a non-EU country. Imports from EU countries only pay the IVA when a product is sold. This detail encourages many distributors to import indirectly from the U.S. via other E.U. countries.

Trade Barriers

[Return to top](#)

For coverage of trade barriers that concern all EU countries, please see the chapter on the European Union in the National Trade Estimate Report on Foreign Trade Barriers, published annually by USTR and available at the website: www.ustr.gov.

Products originating in EU countries enjoy liberal import procedures. For products originating in countries other than EU member states or participants in the World Trade Organization (WTO), and for a limited number of products considered to be sensitive, a specific import/export license may be required. Food products need a certificate of health; electric materials and construction equipment/machinery need a certificate of conformity to EU directives; alcoholic beverages and tobacco need a certificate of authenticity. Otherwise, the following documents are required to import into Portugal:

Shipping Documents - - The documents generally required by Portugal on all sea and air shipments from the United States include the commercial invoice, the bill of lading or air waybill, and a certificate of origin.

Commercial Invoice - - Portuguese Customs requires two copies of commercial invoices, but at least one additional copy should be provided to the importer. The invoice should indicate the country of origin. If the invoices are intended to certify the origin of the goods, they must have a certification by a Chamber of Commerce (or by U.S. Customs or port authorities). In cases involving commodities that have undergone industrial transformation not representing full process of manufacturing in the country of origin, or which have passed through free port or zones, the respective commercial invoice shall bear notation issued by the Portuguese Consulate having jurisdiction in that area. No special form of commercial invoice is prescribed but the firm's letterhead may be used. The invoice should contain the following details:

- Names and addresses of seller and buyer
- Place and date the invoice was prepared
- Method of shipment
- Number, kind and markings of the packages and their numerical order
- Exact description of the goods-customary commercial description according to kind, quality, grade, etc., with special emphasis on factors increasing or decreasing their value
- Quantity of goods, expressed in units customary in international trade
- Agreed price of the goods (unit cost, total cost, including shipping and insurance charges, as well as other expenses charged to the costs of the Goods)
- Delivery and payment terms

Although not a requirement, it is advisable to have the signature of a responsible official of the exporting firm on each invoice.

Bill of Lading or Air Waybill - - This is a contract between the owner of the goods and the carrier. Either a straight or negotiable bill of lading is acceptable. No consular formalities are required. Two copies of the document used in Portuguese or English are required.

Certificate of Origin - - This document certifies that the goods entering Portuguese territory are made in the United States, and thus are subject to the duties, taxes and restrictions that apply to U.S. goods. Although certificates of origin are not expressly required for all imports into Portugal, they are strongly recommended. If a certificate of origin does not accompany a shipment, it may be held up by customs. Portuguese authorities accept certificates of origin certified by authorized U.S. Chambers of Commerce or a Portuguese Consulate.

Other Documents - - Information on documents required for exportation to Portugal of agricultural products (including food items) as well as plants and animals are available in

the Foreign Agricultural Service of the Department of Agriculture. Owing to the complexities of these regulations, U.S. exporters should also obtain information directly from the importer prior to shipment.

Applications for import licenses should be submitted to the General Directorate of External Commerce. For information on duties, taxes, and documentation, contact one of the following two offices:

Office of European Community Affairs
U.S. Department of Commerce
14th & Constitution, Rm. 3314
Washington, D.C. 20230
Tel: (202) 482-5276
Fax: (202) 482-2897
Email: tic@ita.doc.gov
Web Site: <http://www.ita.doc.gov>

DGAIEC
Rua da Alfandega, 5 – r/c
1149-006 LISBON, PORTUGAL
Tel: (351) 218-813-700
E-mail: dgaiec@dgaiec.min-financas.pt
Web Site: <http://www.dgaiec.min-financas.pt>

U.S. Export Controls

[Return to top](#)

As an E.U. member country and original NATO member, there are few U.S. export licensing requirements to Portugal. However, prohibitions against transshipping goods through Portugal to proscribed destinations apply. U.S. exporters are counseled to know the Export Control Commodity Number (ECCN) for their products and technical information that will be transferred overseas. Ignorance of the Export Administration Regulations (EAR) is not a valid defense and U.S. Exporters are urged to know their customers. Information about E.A.R., administered by the U.S. Department of Commerce's Bureau of Industry and Security, can be found at <http://www.bis.doc.gov>

For exports from the U.S., information on U.S. export controls is available from:

Bureau of Industry and Security
U.S. Department of Commerce
Washington, DC 20230
Tel: (202) 482-4811; For overseas companies: Tel. (202) 482-2547
Fax: (202) 482-3617; Email: bx@NOSPAM.doc.gov
Web Site: <http://www.bis.doc.gov>

-and-

Defense Trade Controls
Bureau of Political Military Affairs
U.S. Department of State
Washington, DC 20522-0112

Tel: (202) 663-2700
Fax: (202) 261-8264
Web Site: <http://www.pmdtc.org>

Temporary Entry

[Return to top](#)

Foreign goods may enter Portuguese territory under temporary duty-free admission. Temporary entry can be allowed for goods in transit, for manufacturing, for temporary storage in bonded warehouses or for temporary importation. Generally, temporary entry of goods requires the deposit of a guarantee for import duties and VAT.

However, in some cases, exemptions and partial guarantees can be made. In transit merchandise can be entered without guarantee by residents of the EU who make regular entries in transit or under carnet TIR, carnet ATA or a NATO 302 form. Guaranties are reimbursed when the merchandise leaves the territory of the EU. Professional materials, merchandise to be presented in exhibitions, teaching materials, and other materials can be temporarily imported duty-free under a carnet ATA. Temporary importation allows the merchandise to stay in the EU territory as foreign merchandise for a period of 24 months.

Samples and Carnets: Samples with no intended commercial value enter Portugal free of duties and taxes. When sending such samples parcel post, the sender must specify what types of samples are being shipped. "No commercial value" should be written on the appropriate shipping documents.

In order for samples of commercial value to enter Portugal duty- and tax-free, a bond or deposit of the total amount of duties and taxes must be arranged. Samples must be re-exported within one year if the deposit is to be recouped. An alternative to placing such a deposit is applying for an ATA Carnet.

ATA Carnet: An ATA carnet is a special international customs document designed to simplify and streamline customs entry procedures for merchandise into participating countries for up to one year. The initials "ATA" are an abbreviation of the Portuguese and English words "Admissao Temporaria/Temporary Admission." Customs authorities in the United States and Portugal accept carnets as a guarantee that all customs duties and taxes will be paid if any of the items covered by the carnet are not re-exported within the time period allowed. Carnets may be used for commercial samples, professional equipment, and goods destined for exhibitions and fairs.

To inquire about or apply for an ATA Carnet, contact the U.S. Council for International Business:

USCIB
1212 avenue of the Americas
New York, NY 10036
Tel: (212) 354-4480
Fax: (212) 575-0327
Web Site: <http://www.uscib.org>
Email: info@uscib.org

U.S. firms entering the Portuguese market are strongly advised to examine EU as well as Portuguese laws. Each European Union country is integrating the rulings of the EU into its national legislation. As much legislation regarding labeling is still in the developmental stage, EU labeling regulations and standards need to be carefully monitored.

There may be special requirements for some products such as pharmaceuticals, detergents, tobacco, fertilizers, alcoholic beverages and foodstuffs containing preservatives and colorings. There are also special requirements for the packaging and labeling of dangerous or toxic products.

Jewelry and other articles of gold, silver or platinum must be assayed and hallmarked in Portugal by the assayer's office in Lisbon or Porto. The importation of these articles is limited to those firms or persons registered in the assayer's office.

Manufacturers should be mindful that, in addition to the EU's mandatory and voluntary schemes, Portuguese voluntary labeling schemes might still apply. These schemes may be highly appreciated by consumers, and thus, become unavoidable for marketing purposes. Labeling in Portugal serves an increasingly informational and even promotional role. Labels often act as "silent salespeople," especially due to the recent growth of large retail stores offering little sales assistance.

Manufacturers are advised to take note that all labels require metric units, although dual labeling is also acceptable until end of December 2009. The use of language on labels has been the subject of a Commission Communication, which encourages multilingual information, while preserving the freedom of Member States to require the use of the language of the country of consumption.

The EU adopted legislation in 1992 (revised in 2000) to distinguish environmentally friendly production through a voluntary labeling scheme called the Eco-label. The symbol, a green flower, is a voluntary mark. The Eco-label is awarded to producers who can show that their product is less harmful to the environment than similar such products. This "green label" also aims to encourage consumers to buy green products. However, the scheme does not establish ecological standards that all manufacturers are required to meet to place product on the market. Products without the EU Eco-label can still enter the EU as long as they meet the existing health, safety, and environmental standards and regulations.

There are concerns in the United States that the EU Eco-labeling program may become a de facto trade barrier; may not enhance environmental protection in a transparent, scientifically sound manner; may not be open to meaningful participation by U.S. firms; and may discriminate unfairly against U.S. business. However, the Eco-label can be a good marketing tool and, given the growing demand for green products in Europe, it is likely that the Eco-label will become more and more a reference for green consumers.

Basic Labeling Requirements:

Though many labeling regulations are sector-related, the following information is generally required for all categories of products:

Origin: All imported products sold directly to the public must be marked with the label “Fabricado em” which is the Portuguese translation of “Made in”.

Language: Labels must be written in Portuguese. Portuguese or international law must have authorized any foreign words or abbreviations. The writing must be clear and non-promotional.

Brand Names/Trademarks: Any name symbols and marks relating to the product must be found on the exterior of the packaging, the product label, and the bottle-top or lid, as the case applies. The manufacturer can only use registered brand names and trademarks.

Composition: All ingredients or materials constituting the product must be listed.

Usage Instructions: Explain how the product is to be used.

Required Dates: These include the consumption limit for perishable items, and recommended "use by" date for pre-packaged and frozen food products.

Prohibited and Restricted Imports

[Return to top](#)

As an EU country Portugal follows the EU Customs Code and has no prohibited imports. However, some products are subject to strict controls such as strategic products, wildlife, hazardous articles, non-sport firearms and ammunition, etc.

While not traditionally considered a "closed market"; certain regulations exist in both Portugal and the EU, which limit the market access for specific U.S. agricultural exports. For more information on trade restrictions, food standards and regulations, please refer to Food and Agricultural Import Regulation and Standards Report (FAIRS) available on the Internet website: <http://www.fas.usda.gov>
<http://www.fas.usda.gov/gainfiles/200109/130682044.pdf>

Customs Contact Information

[Return to top](#)

DGAIEC
Rua da Alfandega, 5 – r/c
1149-006 LISBON, PORTUGAL
Tel: (351) 218-813-700
E-mail: dgaiec@dgaiec.min-financas.pt
Web Site: <http://www.dgaiec.min-financas.pt>

Standards

[Return to top](#)

- [Overview](#)
- [Standards Organizations](#)
- [Conformity Assessment](#)

- [Product Certification](#)
- [Accreditation](#)
- [Publication of Technical Regulations](#)
- [Labeling and Marking](#)

Overview

[Return to top](#)

Portugal uses NP EN ISO 9000 standards, which are equivalent to ISO 9000 standards. American exporters must demonstrate through a certifying entity that the products offered meet equivalent quality standards.

Product "MARK" Required for U.S. Exports to Europe: The "CE" mark is now mandatory for a wide range of products sold in the European Union. The letters "CE" indicate that the manufacturer has undertaken all assessments procedures required for the product. The "CE" mark is not a quality mark and does not indicate conformity to a standard, rather it indicates conformity to the legal requirements of the EU.

U.S. exporters should note that all goods entering Portugal should conform to European Union standards. Although one of the goals of the European Union is to harmonize standards across the EU member states, many of these EU standards remain in the developmental stage. Where a EU standard does not currently exist, Portuguese standards apply.

Products tested and certified in the U.S. to American standards are likely to have to be retested and re-certified to European Union (EU) requirements as a result of the EU's different approach to the protection of the health and safety of consumers and the environment. Where products are not regulated by specific EU technical legislation, they are always subject to the EU's General Product Safety Directive as well as to possible additional national requirements.

(http://europa.eu.int/comm/consumers/cons_safe/prod_safe/index_en.htm)

European Union standards created in recent years under the New Approach are harmonized across the 25 EU member states and European Economic Area countries in order to allow for the free flow of goods. A feature of the New Approach is CE marking. While harmonization of EU legislation can facilitate access to the EU Single Market, manufacturers should be aware that regulations and technical standards might also become barriers to trade if U.S. standards are different from those of the European Union.

Standards Organizations

[Return to top](#)

EU Standards setting is a process based on consensus initiated by industry or mandated by the European Commission and carried out by independent standards bodies, acting at the national, European or international level. There is strong encouragement for non-governmental organizations, such as environmental and consumer groups, to actively participate in European standardization.

Many standards in the EU are adopted from international standards bodies such as the International Standards Organization (ISO). The drafting of specific EU standards is handled by three European standards organizations:

CENELEC, European Committee for Electrotechnical Standardization
(<http://www.cenelec.org/>)

ETSI, European Telecommunications Standards Institute (www.etsi.org)

CEN, European Committee for Standardization, handling all other standards
(<http://www.cenorm.be/>)

Standards are created or modified by experts in Technical Committees or Working Groups. The members of CEN and CENELEC are the national standards bodies of the member states, which have “mirror committees” which monitor and participate in ongoing European standardization. CEN and CENELEC standards are sold by the individual member states standards bodies as well as through the American National Standards Institute (ANSI) <http://www.ansi.org/>. ETSI is different in that it allows direct participation in its technical committees from non-EU companies that have interests in Europe and gives away its individual standards at no charge on its website. In addition to the three standards developing organizations, the Commission of the European Union plays an important role in standardization through its funding of the participation in the standardization process of small and medium sized companies and non-governmental organizations, such as environmental and consumer groups. It also provides money to the standards bodies when it mandates standards development to the European Standards Organization for harmonized standards that will be linked to EU technical regulations. All EU harmonized standards, which provide the basis for CE marking, can be found on www.newapproach.org/

Due to the EU's vigorous promotion of its regulatory and standards system as well as its generous funding for its business development, the EU's standards regime is wide and deep - extending well beyond the EU's political borders to include affiliate members (countries which anticipate to become full members in the future) such as Albania, Bulgaria, Croatia, Romania, FYR of Macedonia, and Turkey. Another category, called “partner standardization bodies” includes the standards organizations of Russia, Bosnia-Herzegovina, Tunisia, Egypt, Serbia/Montenegro and the Ukraine, which are not likely to join the EU or CEN any time soon, but have an interest in participating in specific CEN technical committees. They agree to pay a fee for full participation in certain technical committees and agree to implement the committee's adopted standards as national standards. Many other countries are targets of the EU's technical assistance program, which is aimed at exporting EU standards and technical regulations to developing countries such as the Mediterranean and Balkan countries, some Latin American countries, China, and Russia.

To know what CEN and CENELEC have in the pipeline for future standardization, it is best to visit their websites. CEN's “business domain” page provides an overview by sector and/or technical committee whereas CENELEC offers the possibility to search its database. ETSI's portal (http://portal.etsi.org/Portal_Common/home.asp) leads to ongoing activities.

With the need to more quickly adapt to market needs, European standards organizations have been looking for “new deliverables” which are standard-like products delivered in a shorter timeframe. While few of these “new deliverables” have been linked to EU regulation, expectations are that they will eventually serve as the basis for a EU wide standard. [www.cenorm.be/cenorm/workarea/sectorfora/iss\(ict\)/index.asp](http://www.cenorm.be/cenorm/workarea/sectorfora/iss(ict)/index.asp)

The Portuguese Institute for Quality (IPQ – <http://www.ipq.pt>) is the Portuguese authority in charge of coordinating the establishment of standards for the Portuguese market in full compliance with European Union standards. Copies of the most up-to-date standards can be obtained directly from IPQ <http://www.ipq.pt>

Instituto Portugues de Qualidade (IPQ)
(Portuguese Institute for Quality)
Rua Antonio Gao, 2
2829-513 CAPARICA, PORTUGAL
Tel. (351) 212-948-100
Fax: (351) 212-948-260
E-mail: encomenda@mail.ipq.pt
<http://www.ipq.pt>

Conformity Assessment

[Return to top](#)

Conformity Assessment is a mandatory step for the manufacturer in the process of complying with specific EU legislation. The purpose of conformity assessment is to ensure consistency of compliance during all stages of the production process to facilitate acceptance of the final product. EU product legislation gives manufacturers some choice with regard to conformity assessment, depending on the level of risk involved in the use of their product. These range from self-certification, type examination and production quality control system, to full quality assurance system. You can find conformity assessment bodies in individual member state country in this list by the European Commission <http://europa.eu.int/comm/enterprise/nando-is/home/index.cfm>. To promote market acceptance of the final product, there are a number of voluntary conformity assessment programs. CEN's certification systems are the Keymark, the CENCER mark, and the European Standard Agreement Group. CENELEC has its own initiative www.cenelec.org/Cenelec/Homepage.htm ETSI does not offer conformity assessment services.

Product Certification

[Return to top](#)

To sell their product on the EU market of 25 member states as well as Norway, Liechtenstein and Iceland, U.S. exporters are required to apply CE marking whenever their product is covered by specific product legislation. CE marking product legislation offers manufacturers a number of choices and requires decisions to determine which safety/health concerns need to be addressed, which conformity assessment module is best suited to the manufacturing process, and whether or not to use EU-wide harmonized standards. There is no easy way for U.S. exporters to understand and go through the process of CE marking, but hopefully this chapter provides some background and clarification.

In the eighties, the New Approach was launched to overcome the lengthy adoption process of “old approach” type legislation. The goal of the European Union's harmonization program under the New Approach is to streamline technical harmonization and the development of standards for certain product groups, including, among others, machinery, toys, construction products, electromagnetic compatibility, personal protective equipment, non-automatic weighing instruments, medical devices, gas appliances, hot water boilers, and radio and telecommunications terminal equipment (RTTE). Under the New Approach, Directives cover essential safety, health and environmental requirements. The three regional European standards organizations, CEN, CENELEC and ETSI, are mandated by the Commission to develop technical standards that are consistent with the essential requirements of EU Directives.

Products manufactured to standards adopted by CEN, CENELEC and ETSI, and published in the Official Journal as harmonized standards, are presumed to conform to the requirements of EU Directives. The manufacturer then applies the CE Marking and issues a declaration of conformity. With these, the product will be allowed to circulate freely within the European Union. A manufacturer can choose not to use the harmonized EU standards, but must then demonstrate that the product meets the essential safety and performance requirements. Trade barriers occur when design, rather than performance, standards are developed by the relevant European standardization organization, and when U.S. companies do not have access to the standardization process through a European presence.

The CE marking addresses itself primarily to the national control authorities of the Member States, and its use simplifies the task of essential market surveillance of regulated products. Although CE marking is intended primarily for inspection purposes by EU Member State inspectors, the consumer may well perceive it as a quality mark.

The CE mark is not intended to include detailed technical information on the product, but there must be enough information to enable the inspector to trace the product back to the manufacturer or the authorized representative established in the EU. This detailed information should not appear next to the CE marking, but rather on the declaration of conformity, the certificate of conformity (which the manufacturer or authorized agent must be able to provide at any time, together with the product's technical file), or the documents accompanying the product.

IPQ is the Portuguese Institute for Quality.

Accreditation

[Return to top](#)

The independent certification bodies, known as notified bodies, have been officially accredited by competent authorities to test and certify to EU requirements. However, under the U.S./EU Mutual Recognition Agreements (MRAs), notified bodies based in the United States and referred to as conformity assessment bodies, will be allowed to test in the United States to EU specifications, and vice versa. The costs will be significantly lower and U.S. products will, as a result, become more competitive. At this time, the U.S./EU MRAs cover the following sectors: EMC (in force), RTTE (in force), medical devices (in transition), pharmaceutical (in transition), and recreational craft (in force). This link lists to American and European Conformity Assessment bodies operating under a mutual recognition agreement <http://ts.nist.gov/ts/htdocs/210/gsig/mra.htm>

Accreditation is handled at member state level. "European Accreditation" (www.european-accreditation.org) is an organization representing nationally recognized accreditation bodies. Membership is open to nationally recognized accreditation bodies in countries in the European geographical area that can demonstrate that they operate an accreditation system compatible with EN45003 or ISO/IEC Guide 58.

The Portuguese accreditation authority is:

Instituto Portugues de Acreditacao, I.P. (IPAC)
(Portuguese Institute for Accreditation)
Rua Antonio Gao, 2
2829-513 CAPARICA, PORTUGAL
Tel: (351) 212948201
Fax: (351) 212948202
E-mail: acredita@mail.ipq.pt

Publication of Technical Regulations

[Return to top](#)

The Official Journal is the official gazette of the European Union. It is published daily and consists of two series covering draft and adopted legislation as well as case law, questions from the European Parliament, studies by committees, and more (<http://europa.eu.int/eur-lex/en/index.html>). It lists the standards reference numbers linked to legislation. (www.newapproach.org/Directives/default.asp). National technical regulations are published on the Commission's website <http://europa.eu.int/comm/enterprise/tris/> to allow other countries/interested parties to comment.

Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries. Notify U.S. is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets. Register online at Internet URL: <http://www.nist.gov/notifyus/>

In Portugal, IPQ provides standards applying in Portugal in conformity with European Standards.

Labeling and Marking

[Return to top](#)

Manufacturers should be mindful that, in addition to the EU's mandatory and voluntary schemes, national voluntary labeling schemes might still apply. These schemes may be highly appreciated by consumers, and thus, become unavoidable for marketing purposes.

Manufacturers are advised to take note that all labels require metric units, although dual labeling is also acceptable until end of December 2009. The use of language on labels has been the subject of a Commission Communication, which encourages multilingual information, while preserving the freedom of Member States to require the use of language of the country of consumption.

The EU has mandated that certain products be sold in standardized quantities. Council Directive 80/232/EC provides permissible ranges of nominal quantities, container capacities and volumes of a variety of products. http://europa.eu.int/eur-lex/en/consleg/main/1980/en_1980L0232_index.html

The Eco-label The EU adopted legislation in 1992, revised in 2000, to distinguish environmentally friendly production through a voluntary labeling scheme called the Eco-label. The symbol, a green flower, is a voluntary mark. The Eco-label is awarded to producers who can show that their product is less harmful to the environment than similar such products. This "green label" also aims to encourage consumers to buy green products. However, the scheme does not establish ecological standards that all manufacturers are required to meet to place product on the market. Products without the EU Eco-label can still enter the EU as long as they meet the existing health, safety, and environmental standards and regulations.

There are concerns in the United States that the EU Eco-labeling program may become a de facto trade barrier; may not enhance environmental protection in a transparent, scientifically sound manner; may not be open to meaningful participation by U.S. firms; and may discriminate unfairly against U.S. business. The EU Eco-label is a costly scheme (up to EUR 1,300 for registration and up to EUR 25,000/ year for the use of the label, with a reduction of 25 percent for SMEs) and has therefore not been widely used so far. However, the Eco-label can be a good marketing tool and, given the growing demand for green products in Europe, it is likely that the Eco-label will become more and more a reference for green consumers.

Trade Agreements

[Return to top](#)

As a member of the European Union, Portugal is subject to all European Union Free Trade Arrangements. European Union laws and regulations provide that member states may designate parts of the customs territory of the Community as free trade zones and free warehouses. Information on free trade zones and free warehouses is contained in Title IV, Chapter Three, of Council Regulation (EEC) No. 2913/92 of October 12, 1992, establishing the Community Customs Code, titled, "Free Zones and Free Warehouses" (Articles 166 through 182).

Web Resources

[Return to top](#)

Some useful contacts in Portugal:

Gregory S. Taevs
Senior Commercial Officer
U.S. Embassy - Lisbon
PSC 83, Box FCS
APO, AE 09726
Phone: (351) 217-702-526
Fax: (351) 217-268-914

E-mail: Gregory.taevs@mail.doc.gov
Website: <http://www.buyusa.gov/portugal/en/>

DGAIEC
Rua da Alfandega, 5 – r/c
1149-006 LISBON, PORTUGAL
Tel: (351) 218-813-700
E-mail: dgaiec@dgaiec.min-financas.pt
Web Site: <http://www.dgaiec.min-financas.pt>

Instituto Portugues de Qualidade
(Portuguese Institute for Quality)
Rua Antonio Gao, 2
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Tel. (351) 212-948-100
Fax: (351) 212-948-260
E-mail: encomenda@mail.ipq.pt
<http://www.ipq.pt>

Ministry of Economy
Av. da Republica, 79
1069-218 LISBON, PORTUGAL
Tel. (351) 217-911-600
Fax: (351) 217-911-604
E-mail: secretaria.geral@min-economia.pt
<http://www.min-economia.pt>

European Union Contacts :

U.S. Mission to the E.U.
Foreign Commercial Service
Rue Zinner 13
B - 1000 Brussels, Belgium
Fax: 32 2 513 1228
Gwen B. Lyle – Standards Attaché
Tel: 32 2 508 2674
gwen.lyle@mail.doc.gov
Sylvia Mohr – Standards Specialist
sylvia.mohr@mail.doc.gov
Tel: 32 2 508 2675
Fax: 32 2 513 1228

CEN – European Committee for Standardization
Rue de Stassart 36
B – 1050 Brussels, Belgium
Fax: 32 2 550 08 19
Tel: 32 2 550 08 25 / 550 08 11
www.cenorm.be

CENELEC – European Committee for Electrotechnical Standardization

Rue de Stassart 35
B – 1050 Brussels, Belgium
Tel: 32 2 519 68 71
Fax: 32 2 519 69 19
www.cenelec.org

ETSI - European Telecommunications Standards Institute
Route des Lucioles 650
F – 06921 Sophia Antipolis Cedex, France
Tel: 33 4 92 94 42 12
Fax: 33 4 93 65 22 99
www.etsi.org

European Commission
Enterprise Directorate - General
Rue de la Science 15
B – 1040 Brussels, Belgium
Mail: Office: SC15 02/09 B – 1049 Brussels
Tel: 32 2 299 56 72
Fax: 32 2 299 16 75
http://europa.eu.int/comm/enterprise/standards_policy/

EFTA – European Free Trade Association
Rue de Trèves 74
B – 1040 Brussels
Tel: 32 2 286 17 41
Fax: 32 2 286 17 42
<http://www.efta.int/>

NORMAPME – European Office of Crafts Trades and Small and Medium-Sized
Enterprises for Standardization
Rue Jacques de Lalaing 4
B – 1040 Brussels, Belgium
Tel: 32 2 282 05 31
Fax: 32 2 282 05 35
www.normapme.com

ANEC - European Association for the Co-ordination of Consumer Representation in
Standardization
Avenue de Tervueren 36, Box 4
B – 1040 Brussels, Belgium
Tel: 32 2 743 24 70
Fax: 32 2 706 54 30
www.anec.org

ECOS – European Environmental Citizens Organization for Standardization
Boulevard de Waterloo 34
B – 1000 Brussels, Belgium
Tel: 32 2 289 10 93
Fax: 32 2 289 10 99

EOTA – European Organization for Technical Approvals (for construction products)
Avenue des Arts 40
B – 1040 Brussels, Belgium
Tel: 32 2 502 69 00
Fax: 32 2 502 38 14
info@eota.be

EOTC – European Organization for Conformity Assessment
Rue de Stassart 36
B – 1050 Brussels, Belgium
Tel: 32 2 502 40 40
Fax: 32 2 502 42 39
www.eotc.be

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 6: Investment Climate

- [Openness to Foreign Investment](#)
- [Conversion and Transfer Policies](#)
- [Expropriation and Compensation](#)
- [Dispute Settlement](#)
- [Performance Requirements and Incentives](#)
- [Right to Private Ownership and Establishment](#)
- [Protection of Property Rights](#)
- [Transparency of Regulatory System](#)
- [Efficient Capital Markets and Portfolio Investment](#)
- [Political Violence](#)
- [Corruption](#)
- [Bilateral Investment Agreements](#)
- [OPIC and Other Investment Insurance Programs](#)
- [Labor](#)
- [Foreign-Trade Zones/Free Ports](#)
- [Foreign Direct Investment Statistics](#)
- [Web Resources](#)

Openness to Foreign Investment


[Return to top](#)

The Portuguese Government promotes international investment in Portugal as an integral part of its economic development policy, and specifically through a government agency, API (Invest in Portugal Agency). API is a public company with a public equity of 110 million Euros and acts as a single point of contact for investors with projects over 25 million Euros or companies with a consolidated turnover superior to 75 million euros. For foreign investments not meeting the mentioned requirements, API will make a preliminary analysis and direct the investor to the appropriate investment assistance agency or program. API has published an "Investor's Guide" in Portugal, which includes a description of the legal and institutional framework for investments, as well as section on incentives, venture capital and mutual guarantees, and fiscal incentives. This guide is available in Portuguese and in English, on the website, <http://www.investinportugal.pt>

According to Bank of Portugal, foreign direct investment is defined as an act or contract that obtains or increases enduring economic links with an existing Portuguese institution or with one to be formed. Foreign direct investment is thus all investment made by a non-resident of at least 10% of a resident company's equity, provided that the foreign direct investor possesses effective decision power.

Foreigners are permitted to establish themselves in all economic sectors open to private enterprise. Currently, however, Portuguese government approval is required for non-EU investment in the following sectors: defense, water management, public service telecommunications operators, railways, and maritime transportation. Also, Portugal restricts non-EU investment in civil air transport to 49 percent.

Finance/Insurance: Investors wishing to establish new credit institutions or finance companies, acquire a controlling interest in such financial firms, and or establish a subsidiary must have authorization from the Bank of Portugal (for EU firms) or the Ministry of Finance (for non-EU firms). Non-EU insurance companies seeking to establish an agency in Portugal must post a special deposit and financial guarantee and must have authorization for such activity for at least five years.

Foreign Workers: Non-EU nationals who want to work in Portugal must obtain a work permit and a residence permit. EU nationals must obtain a residence card but are not ired to have work permits. According to Decree-law 34/2003, API can recommend the granting of a work permit to a non-EU national when the worker is essential to the national economy, possesses highly qualified competences or his/her work is of relevant scientific interest to the country.

Payment Arrears: In the past two years, the Ministry of Health has allowed serious arrears to develop in payments for goods and services used in the government's health program. These delays have cut into the profitability of U.S. companies working in the health field, especially pharmaceuticals. U.S. firms are not discriminated against compared to Portuguese or other foreign firms with regard to timeliness of payments.

Conversion and Transfer Policies

[Return to top](#)

Portugal maintains no current or capital account restrictions. On January 1, 1999, Portugal and ten other European countries formed the European Monetary Union, which adopted the euro as its currency.


Expropriation and Compensation

[Return to top](#)

There have been no cases of expropriation of foreign assets or companies in Portugal in recent history, nor is there concern for future expropriation.

Dispute Settlement

[Return to top](#)

The Portuguese legal system is slow and deliberate, with cases taking years to be resolved. In 2001, there were close to one million pending legal disputes in the national courts, four times the 1992 level. Since then, there has been some progress in clearing the backlog, but disposition of cases remains slow. It takes, for example, an average of 420 days for a bounced check case to wend its way through the court system, double the EU average. In an effort to address this problem, the government introduced reforms in litigation procedures and public administration in 2004. These reforms are intended to reduce delays in the justice system and improve its effectiveness by reorganizing the court system and redefining the division of power. The reform also establishes new rules for management within the judicial system. It is too early to assess the impact of these reforms. 

Portugal accepts binding arbitration of investment disputes between foreign investors and the state. Given the lengthy legal process, businesses frequently rely on this mechanism. Portugal is a member of the International Center for the Settlement of Investment Disputes (ICSID), also known as the Washington Convention and/or the New York Convention of 1958 on the Recognition and Enforcement of Foreign Arbitral Awards.

Performance Requirements and Incentives

[Return to top](#)

Under Portugal's investment incentive regime, API – Invest in Portugal Agency - is empowered to negotiate a tailored incentives package for large investment projects on a case-by-case basis, including tax cuts and subsidized or interest-free loans and cash grants. Large-scale investment projects are all investment projects exceeding 25 million euros, within a period of three years, or those promoted by a company, or group of companies with a total turnover superior to 75 million euros. The goal of the program is to leverage investments for proposed projects that support the government's economic development goals. API hopes to use the program to address Portugal's long-term competitiveness issues, including human resources, and to promote Portugal's own brands and patents in the industrial, energy, construction, transport, tourism, commerce and services sectors. Details about the programs are available on the API website at <http://www.investinportugal.pt/>.

Smaller investments, those larger than 150,000 Euros, benefit from the principle incentive scheme. Incentives include interest-free loans and grants, depending on the nature of the investment. For tangible investments, such as buildings, equipment and technology transfers, the loan can be from 30-60 percent of the total, depending on the location of the investment, the size of the company, and the age of the entrepreneur. On successful completion of the project, up to 60% of the loan may be converted into a cash grant. For certain preferred intangible investments, such as research and development and employee training, the program can provide non-reimbursable grants equal to 30-70 percent of the investment. Finally, to encourage international competitiveness of companies in Portugal, programs offer interest free loans of 30-60 percent of these companies' overseas investments. Funding is awarded based on priorities such as the degree of innovation, the quality of jobs created, economic impact of the project, including return on capital and its investment profile, and the risk profile of the project.

A second incentive scheme for small projects (less than 150,000 Euros) provides direct grants equal to 40-45 percent of eligible investments. Competition for these grants is based on factors such as investment sectors, investment in underdeveloped regions, job creation and the company's own stake in the project. Interested parties may contact API for more details.

In addition to these two programs, companies that invest abroad in manufacturing, tourism, agriculture, fish-farming, livestock, forestry, construction, wholesale and retail trade, environment, energy, telecommunications, transports, information technology, audiovisual and multimedia can qualify for tax credits of 10 percent, with another five percent for investments in the EU, Lusophone Africa or Brazil, and for small and medium sized enterprises.

The Agency for Innovation is responsible for three additional programs: NEST, IDEIA and QUADROS. NEST is for companies with a technological base. IDEIA is for companies and universities. It requires a public-private partnership between a company and a school, university, or other technological entity. QUADROS is also for companies and universities, but aims at the training and recruitment of graduates in the fields of sciences, engineering, economics and management, among others.

Other reforms that are designed to promote investment, both foreign and domestic, include a reduction in the paperwork for company registration and licensing, where required. In 2003, the government also established an independent competition authority whose goal is to promote market transparency and prevent anti-competitive practices. In addition, special tax regimes are in place for the country's autonomous regions, the islands of the Azores and Madeira. See "Foreign-Trade Zones/Free Ports" for more information.

Right to Private Ownership and Establishment

[Return to top](#)

Private Ownership/Enterprise: Private ownership is limited to 49 percent in the following sectors: basic sanitation (except waste treatment), international air transport, railways, ports, arms and weapons manufacture, and airports. The government requires private firms to obtain concessions, contracts, and licenses to operate in a number of sectors (public service television, waste distribution, waste treatment), but grants these on a non-discriminatory basis. Foreign firms have the right to establish themselves in all economic sectors open to private enterprise. Foreign investments affecting public health, order or security, or relating to the arms industry, require approval of the competent authorities.

Competitive Equality: Law No.18/2003, of June 6, 2003, governs protection and promotion of competition in Portugal. It specifically outlaws collusion between companies to fix prices, limit supplies, share markets or sources of supply, discriminate in transactions, or force unrelated obligations on other parties. Similar prohibitions apply to any company or group with a dominant market position. The law also requires prior government notification of mergers or acquisitions which would serve to give one company more than 30 percent market share in one sector or among entities which had total sales in excess of 150 million euros in the preceding financial year. The Competition Authority has 60 days to determine if the merger or acquisition can proceed. The European Commission may claim authority on cross-border competition issues or those involving entities large enough to have a significant EU market share.

Privatization Program: Portugal has engaged in a wide-ranging privatization program that sold off 100 enterprises and generated approximately \$14 billion in revenues in its first ten years of existence. Privatization involves the sale of government shares in state-owned companies, typically in a series of share offerings. These share offerings often include private transactions, usually to attract a "strategic partner" as an equity holder, and public offerings.

Major privatizations in recent years included sales of interest in Portugal Telecom (telecommunications), EDP (electricity), and GALP (petroleum refining and marketing, natural gas distribution). Firms, which are expected to be privatized in the near future, include TAP (Airline) and REN (Electricity Transmission System Operator). In some

cases, the process of identifying and selecting strategic partners has not been transparent. In one recent high-profile case, the GOP's parastatal holding company, Parpública, was to choose a new strategic partner for a state company in a resale of its privately held shares. There was no formal tender issued, and bidders participated by invitation of the GOP. Parpública chose, as a strategic partner, a Portuguese company with no other activities in that industrial sector. The U.S. bidder, whose consortium did include a Portuguese company with activities in that sector, was not short-listed.

Protection of Property Rights

[Return to top](#)

In 2003 Portugal adopted the trade-related intellectual property (TRIPS) provisions of GATT and European intellectual property protection standards, and increased the penalties for violators. The Portuguese legislation is, overall, consistent with WTO rules and EU directives, although copyrights and other related rights were not originally included in the IPR Code because it was determined that they fell under the Authorship Rights code. After the EU initiated an infringement case in 2003, the Portuguese Parliament approved the complete transposition of the EU directive in February 2004.

Portugal is a participant in the E-MAGE project, an Internet based service, which provides multilingual access to databases of trademarks and industrial designs. This international cooperation helps customs authorities prevent sales of counterfeit goods. Other countries involved include France, Austria, Hungary and Spain.

Trademark Protection: Portugal is a member of the International Union for the Protection of Industrial Property (WIPO) and a party to the Madrid Agreement on International Registration of Trademarks and Prevention of the Use of False Origins. Portugal's current trademark law entered into force on June 1, 1995. The law, however, is not considered to be entirely consistent with TRIPS.

Copyright Protection: Portugal is finishing the process of adopting EU directives in the form of national legislation. Most recently, the country adopted the EU directive on protection of databases (Decree Law 122/2000, July 4, 2000). Software piracy remains a problem, however.

Patent Protection: Currently, Portugal's patent protection is governed by the Code of Industrial Property that went into effect on June 1, 1995. In 1996, new legislation was passed to extend the life of then-valid patents to 20 years, consistent with the provisions of TRIPS. A new industrial property code, designed to bring Portugal into full conformity with EU and international norms, came into effect at the beginning of 2003.

Portugal, like other European countries, grants health (FDA-equivalent) approval to market new drug products without crosschecking for existing products with unexpired patent protection already in the market. This forces companies to pursue redress through the court system, an expensive and time-consuming process. U.S. pharmaceutical companies have brought a number of cases before Portuguese tribunals for the violation of patent rights by Portuguese companies. One U.S. owned pharmaceutical company has won five cases, and has several more pending.

Transparency of Regulatory System

[Return to top](#)

Businesses frequently complain about red tape with regard to such basic tasks as registering companies, filing taxes, receiving value-added tax refunds and importing vehicles. Decision-making tends to be centralized and obtaining government approvals/permits can be time-consuming and costly. A process of appeals for administrative complaints and litigation was introduced in 2004 to reduce delays in the justice system and improve its effectiveness. The program has alleviated many of the requirements for company licensing and reduced the length of time required to incorporate a company. In addition, notarial services were also privatized in 2004.

The government initiated the rapidly expanding “Empresa na Hora” (Business in an Hour) program in 2005 to facilitate navigation of the bureaucracy of starting a business. Over 1800 businesses have been established between July and December 30, 2005 using this program. More information can be found at Empresa na Hora’s website at <http://www.empresanahora.pt/>.

Efficient Capital Markets and Portfolio Investment

[Return to top](#)

One result of Portugal's participation in the European Monetary Union is the country's increasing integration into a European-wide financial market. As a member of the Euro-zone, Portugal offers low exchange rate risk for foreign investors, interest rates comparable to other EU countries and a greater availability of credit. In addition to bank lending, the private sector has access to a variety of credit instruments, including bonds. Legal, regulatory, and accounting systems are consistent with international norms.

The Portuguese capital markets code (the CVM) came into effect on March 1, 2000, and has rationalized and streamlined Portuguese capital markets legislation. The Lisbon stock market is part of Euronext, which also includes the Paris, Brussels and Amsterdam markets.

Portugal has about 50 banking institutions. The largest five bank groups, however, accounted for a majority of the sector's total assets. Nevertheless, Portugal's bank sector is still undergoing consolidation in order to create banks large enough to compete in the European market. The country's largest bank, Caixa Geral de Depositos (CGD), is controlled by the Portuguese government. Despite a mixed economic performance in the past four years, the financial sector continues to perform well.

In addition to banks and stock markets, Portugal has taken specific steps to ensure that the financial needs of small and medium sized enterprises (SMEs) are met. Portugal's Institute for Supporting Small and Medium-Sized Enterprises and Investment (IAPMEI) has a program of mutual guarantees so that SMEs do not have to use their assets or those of their shareholders to collateralize debt. The companies pay an initial evaluation fee and an annual fee equal to 0.75-3.00 percent of the guarantee. IAPMEI has also supported the creation of venture capital funds and venture capital companies, which will channel capital to SMEs.

Of the 9.4 billion euros in projects to date under the government's 2000-2006 program to support Portugal's economic development (POE and PRIME from 2002 onwards), 4

billion euros has been invested in about 12,300 projects approved by these Programs. For more information on PRIME, visit the homepage at <http://www.prime.min-economia.pt>.

Political Violence

[Return to top](#)

There have been no incidents involving politically motivated damage to projects and/or installations. Potentially destructive civil disturbances are not likely.

Corruption

[Return to top](#)

Corruption is a relatively limited but enduring aspect of the business culture in Portugal. In Transparency International's 2005 Corruption Perceptions Index, Portugal ranked 26th out of 158 countries considered, listed from least to most corrupt (the U.S. was ranked 17th). Within the EU-15, Portugal outranked only Italy and Greece. Although U.S. firms acknowledge occasional encounters with corruption in the course of doing business in Portugal, they do not usually identify corruption as an obstacle to foreign direct investment. Portugal has ratified the OECD Anti-bribery Convention, and recently passed legislation to bring its criminal code in compliance with the Convention. Tax evasion remains a major problem for the government, which has implemented several initiatives to improve collection rates.

Bilateral Investment Agreements

[Return to top](#)

Investment Promotion and Protection Agreements Between Portugal and Third Countries

<u>Country</u>	<u>Date of Signature</u>	<u>Legal Document</u>	<u>Enforcement Since</u>
Albania	September 18th, 1998	Decree 12/99, of May 12th	_____
Algeria	September 15th, 2004	Decree 14/05, of July 29th	September 09th, 2005
Angola	October 24th, 1997	Decree 48/98, of December 17th	_____
Argentina	June 10th, 1994	Decree 29/95, of August 8th	May 3rd, 1996
Bosnia & Herzegovina	March 13 th , 2002	Decree 11/03, of March 25th	_____
Brazil	February 09th, 1994	Decree 24/94, of August 10th	_____
Bulgaria	March 27 th , 1993	Resolution 74/00, of November 14th	November 20th, 2000
Cape Verde	April 9th, 1991	Decree 32/91, of April 26th	October 04th, 1991
Chile	April 28th, 1995	Decree 64/97, of December 24th	February 05th, 1998
China	February 3 rd , 1992	Decree 34/92, of July 23rd	December 01st, 1992
Croatia	May 10th, 1995	Decree 42/97, of June 20th	November 27th, 1997
Cuba	July 8th, 1998	Decree 45/98, of December 04th	June 18th, 1999
Czech Republic	November 12th, 1993	Decree 20/94, of July 21st	August 3rd, 1994
East Timor	May 20th, 2002	Decree 20/03, of May 03rd	April 07th, 2004
Egypt	April 28th, 1999	Resolution 75/00, of November 14th	December 23rd, 2000
Gabon	December 17th, 2001	Decree 13/03, of March 27th	_____
Germany	September 16th, 1980	Decree 84/81, of July 8th	June 23rd, 1982
Guinea-Bissau	June 24th, 1991	Decree 41/92, of October 8th	April 08th, 1996
Hungary	February 28th, 1992	Decree 62/92, of December 30th	October 08th, 1997
India	June 28th, 2000	Decree 18/02, of March 21st	July 19th, 2002

Latvia	September 27th, 1995	Decree 30/97, of May 20th	July 17th, 1997
Libya	June 14th, 2003	Decree 24/04, of September 24th	June 19th, 2005
Lithuania	May 27th, 1998	Decree 12/03, of March 27th	August 14th, 2003
Macau	May 17th, 2000	Resolution 58/01, of September 18th	May 2nd, 2002
Morocco	October 18th, 1988	Decree 05/90, of March 1st	March 22nd, 1995
Mauritius	December 12th, 1997	Decree 25/98, of July 22nd	January 3rd, 1999
Mexico	November 11th, 1999	Decree 18/00, of August 3rd	September 4th, 2000
Mozambique	September 1st, 2005	Decree 13/96, of May 28th	October 31st, 1998
Pakistan	April 17th, 1995	Decree 30/96, of October 11th	November 28th, 1996
Paraguay	November 25th, 1999	Decree 41/01, of September 28th	November 04th, 2001
Peru	November 22nd, 1994	Decree 23/95, of July 15th	October 2nd, 1995
Philippines	November 08th, 2002	Decree 25/03, of May 20th	August 14th, 2003
Poland	March 11 th , 1993	Decree 35/93, of October 9th	August 3rd, 1994
Romania	November 17th, 1993	Decree 23/94, of July 26th	November 17th, 1994
Russia	July 22nd, 1994	Decree 26/95, of July 21st	_____
Sao Tome & Principe	May 12th, 1995	Decree 36/97, of July 18th	_____
Slovakia	July 10th, 1995	Decree 59/97, of September 08th	May 15th, 1999
Slovenia	May 14th, 1997	Decree 01/98, of January 24th	May 4th, 2000
South Korea	May 03rd, 1995	Decree 14/96, of May 28th	August 11th, 1996
Tunisia	May 11th, 1992	Decree 34/94, of November 17th	December 06th, 1994
Turkey	February 19th, 2001	Decree 20/02, of April 4th	January 30th, 2004
Ukraine	October 25th, 2002	Decree 24/03, of May 17th	July 18th, 2003
Uruguay	July 25th, 1997	Decree 65/97, of December 30th	November 3rd, 1999
Venezuela	June 17th, 1994	Decree 06/95, of April 15th	May 11th, 1995
Zimbabwe	May 5th, 1994	Resolution 69/01, of October 30th	_____

Double Taxation Treaties

	Double Taxation Treaties		
	Dividends	Interest	Royalties
Germany	15%	10% or 15%	10%
Austria	15%	10%	5% or 10%
Belgium	15%	15%	10%
Brazil	10% or 15%	15%	15%
Bulgaria	10% or 15%	10%	10%
Cape Verde	10%	10%	10%
Canada	10% or 15%	10%	10%
China	10%	10%	10%
Korea	10% or 15%	15%	10%
Cuba	5% or 10%	10%	5%
Denmark	10%	10%	10%
Slovakia	10% or 15%	10%	10%
Slovenia	5% or 15%	10%	5%
Spain	10% or 15%	15%	5%
Estonia	10%	10%	10%
USA	5% 10% and 15%	15%	5%
Finland	10% or 15%	15%	10%
France	15%	10% or 12%	5%
Greece	15%	15%	10%
Netherlands	10%	10%	10%
Hungary	10% or 15%	10%	10%
India	10% or 15%	10%	10%
Ireland	15%	15%	10%
Iceland	10% or 15%	10%	10%
Italy	15%	15%	12%
Latvia	10%	10%	10%
Lithuania	10%	10%	10%
Luxemburg	15%	10% or 15%	10%
Macao	10%	10%	10%
Malta	10% or 15%	10%	10%
Morocco	10% or 15%	12%	10%
Mexico	10%	10%	10%
Mozambique	15%	10%	10%
Norway	10% or 15%	15%	10%
Pakistan	10% or 15%	10%	10%
Poland	10% or 15%	10%	10%
United Kingdom	10% or 15%	10%	10%
Czech Republic	10% or 15%	10%	10%
Romania	10% or 15%	10%	10%
Russia	10% or 15%	10%	10%
Singapore	10%	10%	10%
Sweden	10%	10%	10%
Switzerland	10% or 15%	10%	10%
Tunisia	15%	15%	10%
Ukraine	10% or 15%	15%	10%
Venezuela	10% or 15%	10%	10% or 12%

OPIC and Other Investment Insurance Programs

[Return to top](#)

Portugal is considered a country with low political risk, and the potential for significant OPIC insurance programs in Portugal is limited. Portugal is a member of the Multinational Investment Guarantee Authority (MIGA) of the World Bank.

Labor

[Return to top](#)

A package of labor reform laws took effect in 2003 permitting greater geographic and functional mobility for employers. The labor code limits the role of unions and makes it more difficult for workers to strike. It also addresses absenteeism and fraudulent leave. However, low productivity and difficulty in firing workers continue to hamper Portugal's ability to attract foreign investment.

Labor strikes and work stoppages in Portugal, as in much of Europe, are more common than in the United States. Most strikes, however, are of short duration. In the past two years, work stoppages have been more common among public sector workers, including the transportation sector, than in the private sector. Portugal is a member of the International Labor Organization and adheres to the ILO Conventions Protecting Labor Rights. Portugal ratified ILO Convention 138, which establishes a minimum employment age of 15 for all economic sectors. As of January 1, 1997, the minimum working age in Portugal is 16, thereby exceeding the ILO norm.

Unemployment: A continuing public sector hiring freeze, combined with layoffs associated with privatizations and the 2003-2004 recession, has contributed to a growing unemployment rate. Traditionally much lower than in the rest of the EU, Portugal's unemployment hit an eight year high of 7.7 percent in December 2005, though still lower than the 2005 EU average of 8.7 percent. The outlook for job creation is not good, given that Portugal's unit labor costs have continued to rise while productivity gains have been comparatively slow.

Steps have been taken to improve educational and vocational training programs to improve education levels and labor productivity, which lag behind the EU-15 average.

Foreign-Trade Zones/Free Ports

[Return to top](#)

Portugal has two foreign trade zones/free ports in the autonomous regions of the islands of Madeira and the Azores. These foreign trade zones/free ports were authorized in conformity with EU rules or incentives granted to member states. Industrial and commercial activities, international service activities, trust and trust management companies and offshore financial branches are eligible activities. Companies established in the foreign trade zones enjoy import/export-related benefits, financial incentives, tax incentives for investors and tax incentives for companies.

The Madeira free trade zone has approximately 6500 registered companies. Under the terms of Portugal's agreements with the EU, companies in the Madeira FTZ can take full advantage of the tax incentives provided until December 2011, when those incentives will begin to be phased out.

Foreign Direct Investment flows into Portugal

Balance in Million Euros

Total Foreign Direct Investment

	Total		
	Credit	Debit	Balance
1996	4.629,5	3.595,8	1.033,7
1997	7.952,2	5.888,7	2.063,4
1998	11.072,2	8.372,3	2.700,0
1999	13.631,2	12.545,4	1.085,7
2000	26.594,6	19.392,6	7.202,0
2001	28.011,9	20.973,7	7.038,2
2002	21.775,5	19.897,5	1.878,0
2003	27.305,3	21.494,9	5.810,4
2004	25.162,2	24.267,0	895,2

Breakdown by Sector (in million euros)

	Agriculture , hunting, forestry and fishing	Mining and quarrying	Manufacturing	Production and distribution of electricity, gas and water	Construction	Wholesale and retail trade, repairs, hotels and restaurants	Transports, storage and communica tions	Financial intermediation	Real estate, rentals and business activities	Other activities
1996	9,172	-8,127	89,672	-62,077	30,842	325,001	69,26	140,041	351,967	87,926
1997	5,1	-2,484	237,061	-81,905	7,528	679,48	535,573	236,334	347,658	99,08
1998	7,561	-12,9	-220,435	266,802	28,089	293,155	70,085	309,567	1840,826	117,202
1999	5,492	-3,794	-97,714	-53,212	38,804	283,729	202,429	-250,48	848,419	112,074
2000	14,462	15,904	113,898	-53,027	33,028	609,544	412,72	1377,198	4471,797	206,444
2001	-10,396	0,573	-388,066	94,674	141,857	3830,712	328,333	446,275	2359,189	235,09
2002	5,085	-0,007	-212,173	79,824	-19,347	13,774	520,412	844,402	282,328	363,737
2003	6,789	-2,663	-331,296	41,561	152,754	171,332	647,305	-1253,432	5981,233	396,802
2004	17,508	47,832	196,837	112,2	201,942	-3131,106	15,561	85,747	2894,965	453,738

Breakdown by Country of Origin (in Million euros)

	Germany	Spain	France	Other Euroland Countries	United Kingdom	Brazil	Switzerland	USA	Other
1996	50,0	492,8	42,2	224,6	170,8	12,6	161,8	-21,4	-99,7
1997	279,6	437,9	126,9	518,1	154,0	144,6	-2,9	229,1	176,1
1998	178,1	427,4	-28,5	334,6	199,5	68,1	22,1	248,1	1.250,6
1999	43,6	-422,1	236,9	881,1	266,7	-140,6	47,2	132,4	40,6
2000	341,1	2.573,4	183,6	3.220,9	483,9	137,5	29,2	-91,9	324,2
2001	-166,4	987,5	44,7	2.770,9	3.014,0	-543,1	67,1	311,0	552,6
2002	209,0	1.094,1	-57,4	61,8	312,4	194,4	146,3	184,6	-267,0
2003	-127,6	901,5	76,0	-1.430,2	1.051,0	-134,4	30,3	173,1	5.270,7
2004	-11,6	1.382,9	-297,0	296,7	-2.567,5	-1,2	-81,0	97,3	2.076,6
Sum of Balances	795,6	7.875,5	327,4	6.878,4	3.084,8	-262,0	420,0	1.262,2	9.324,8

(Source: Banco de Portugal)

PORTUGUESE DIRECT INVESTMENT ABROAD

Balance (in thousand euros)

1996	1997	1998	1999	2000	2001	2002	2003	2004
-560,56	-1827,8	-3619,94	-2995,49	-8826,56	-6976,07	-164,716	-5778,76	-4975,87

Breakdown by Sector (in thousand euros)

	Agriculture, hunting, forestry and fishing	Mining and quarrying	Manufacturing	Production and distribution of electricity, gas and water	Construction	Wholesale and retail trade, repairs, hotels and restaurant s	Transports, storage and communications	Financial intermedia tion	Real estate, rentals and business activities	Other activities
1996	-560563	-1141	-1560	-71028	-224604	-1567	-13064	-4159	-84519	-153103
1997	-1827803	1564	10020	-71453	8818	-9427	-117361	-193848	-408239	-1004280
1998	-3619940	180	16196	-74294	-621817	-42077	-36515	-15925	-193174	-2700494
1999	-2995485	-1057	7	-122126	-12680	-60749	-76817	-11788	786450	-3300600
2000	-8826556	-4625	-45	-388625	-1673	-61773	-91075	-34903	-576253	-7632820
2001	-6976066	-6730	-14	-122365	-3340	-21269	-3167195	9044	-385613	-3241885
2002	-164723	-3073	0	-35390	-4792	88504	3064153	-71582	-236340	-2935556
2003	-5778753	-3689	-900	-29002	-2006	-37423	-75660	4702	-122013	-5483941
2004	-4975869	-383	736	-40425	584	-4176	-165948	3335	-208047	-4505825

Breakdown by Country of Destination (in thousand euros)

	Germany	Spain	France	Other EU	UK	Brazil	Switzerland	USA	Other	Total
1996	-9678	-55043	11365	-98913	497	-288610	-1105	-32259	-86814	-560560
1997	-318	-253000	-11005	-484499	-25042	-574347	595	-32156	-448029	-1827801
1998	-54552	-366436	-40739	-934869	-96095	-4081929	-1302	-38321	1994302	-3619941
1999	-51973	706088	-216078	1339732	-81060	-1501139	-9554	-44169	-3137337	-2995490
2000	-42558	-1816638	-22192	-1505223	-317588	-2926388	-8207	-181679	-2006085	-8826558
2001	-7993	-3094290	-15744	-1727150	-270763	-1122146	-9006	-61778	-667195	-6976065
2002	34251	1152376	3275	-4252883	51938	2041971	-20605	-45428	870389	-164716
2003	131710	458211	90163	-12938	-57359	-335	-13769	-12781	-6361659	-5778757
2004	-1827	-936461	-33662	-1377359	-106193	-188188	-9515	-98784	-2223884	-4975873

(Source: Banco de Portugal)

Portuguese Trade with the U.S. In Millions of U.S. Dollars

	2000	2001	2002	2003	2004
Exports	984,153	1,239,723	861,271	862,461	1,046,079
Imports	1,578,508	1,555,379	1,672,603	1,967,016	2,243,257

(Source: Foreign Trade Division, U.S. Census)

Major Foreign Direct Investors

Selected Major Foreign Investors in Portugal include:

Company	Industry	Foreign Control
General Motors	Motor Vehicles	U.S.
Autoeuropa (Volkswagen)	Motor Vehicles & Parts	Germany
BP Portuguesa, SA	Fuel Distribution	UK
Shell Portuguesa, SA	Fuel Distribution	Netherlands/UK
Renault Portuguesa, SA	Motor Vehicles & Parts	France
Opel, SA	Motor Vehicles & Parts	U.S.
Asea Brown Boveri, SA	Construction	Sweden
G.M.A.C.	Vehicle Rental	U.S.
Siemens	Electrical Component Mfg.	Germany
Fiat Auto Portuguesa, SA	Motor Vehicles & Parts	Italy
Ford Electronics	Electrical Components	U.S.
Wolverine	Engineering	U.S.
Auchan	Food Distribution	France
Carrefour, SA	Food Distribution	France
Citroen-Automoveis, SA	Motor Vehicles & Parts	France
Mitsubishi, SA	Motor Vehicles & Parts	Japan

Delphi Packard	Motor Vehicles & Parts	U.S.
Tisep, LDA	Electronics	U.S./Japan
Repsol, SA	Fuel Distribution	Spain
Peugeot Portugal, SA	Motor Vehicles & Parts	France
Sony Portugal, LDA	Electronics (Trade)	Japan
IBM, SA	Electronics	U.S.
Lever, LDA	Soaps & Cosmetics	Netherlands
Esso Portuguesa, SA	Fuel Distribution	U.S.
Citroen Lusitana, SA	Motor Vehicles & Parts	France
Lear Corporation	Motor Vehicles & Parts	U.S.
Infineon	Semiconductors	Germany
Vodafone	Mobile Communications	U.K.
Webasto	Motor Vehicles & Parts	Germany
Iberdrola	Energy	Spain
UT Automotive	Motor Vehicles & Parts	U.S.

Web Resources

[Return to top](#)

Bank of Portugal <http://www.bancoportugal.pt>

Invest in Portugal Agency <http://www.investinportugal.pt>

Empresa na Hora <http://www.empresanahora.pt>

PRIME <http://www.prime.min-economia.pt>

U.S. Census <http://www.census.gov>

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 7: Trade and Project Financing

- [How Do I Get Paid \(Methods of Payment\)](#)
- [How Does the Banking System Operate](#)
- [Foreign-Exchange Controls](#)
- [U.S. Banks and Local Correspondent Banks](#)
- [Project Financing](#)
- [Web Resources](#)

How Do I Get Paid (Methods of Payment)

[Return to top](#)

In general, foreign products are imported by using irrevocable letters of credit against documents, particularly during the first year of business. Opening irrevocable letters of credit is a straightforward process in Portugal through which importers can insure against exchange risk with their banks. When a long-term relationship has been established between a supplier and a customer, credit may be negotiated.

Payment practices are 30, 60 and 90 day terms. Large corporations (including large retailers) negotiate or impose longer payment terms that can last up to six months. The government defers all payments.

Depending on the department, payments can be deferred up to one year. Product pricing must also include the necessary financial charges. However, for large orders, payment conditions are established on a case-by-case basis. Methods of payment are the instruments used in international trade to guarantee collection of funds and reduce the commercial risk. The methods of payment most commonly used in Portugal for international trade are:

Checks (cheque): While bank checks offer security in transactions, (since the bank issuing the check needs the guarantee of the transfer to issue it), personal checks do not provide adequate guarantees against commercial risk, as the bank does not guarantee the funds in the account of the person issuing the check.

Payment Order (letras): In this case, the importer gives an order to the bank and, by using a correspondent bank in the same country, pays the exporter's bank the amount due. The initiative for the payment in this case is the importer's responsibility. These transfers, via SWIFT, are a common practice in the Portuguese banking system.

Documents against payment (Cartas de crédito): Exporters use this instrument to ensure the possession of the merchandise until the collection of funds, or at least until the importer accepts a bill of exchange.

Documentary Credit (credito documentario): This method of payment offers safer conditions in the transaction, due to the involvement of banks in both countries. In this case, the importer's bank ensures against the entrance of a third party (an exporter, the bank or a correspondent bank).

How Does the Banking System Operate

[Return to top](#)

Five banking groups dominate Portugal's banking sector. Nevertheless, Portuguese banks remain relatively small by European standards and the next few years could witness considerable cross-border integration within the EU.

Foreign businesspeople should find the Portuguese banking system to be similar to that of the U.S. or other Western European countries. Portugal has transposed into national law key EU financial Directives covering banking coordination (the "community passport"), auditing on a consolidated basis, capital structure, solvency, and money laundering.

Foreign-Exchange Controls

[Return to top](#)

Repatriation of Capital and Earnings: There is no restriction on repatriation of capital provided this is carried out through an approved bank and the investment in question was authorized. Similarly, there is no restriction on transfers of profits, interest, royalties, or service fees, provided the investment was authorized and made through approved banks.

Businesses: Foreign-controlled Portuguese businesses are required to have a resident Portuguese bank account and are subject to the same regulations as other Portuguese legal entities. The use of foreign bank accounts by residents is permitted.

Individuals: Portugal has few controls on the use of foreign exchange. For exchange control purposes, foreigners are considered to be residents from the time they arrive in Portugal. Portuguese and foreign citizens are subject to the same rules.

Residents are entitled to open an account in foreign currency with a bank established in Portugal and to establish accounts abroad. Residents must report the account number for all foreign accounts on their annual income tax returns. Portuguese-source earnings may be transferred abroad, without limitations if carried out through an approved bank.

U.S. Banks and Local Correspondent Banks

[Return to top](#)

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Project Financing

[Return to top](#)

Contractors may be required to bring financing proposals for major projects bids on a case-by-case basis although generally the Government finances the project. Project

financing is available for a wide variety of projects ranging from bridges to gas pipeline construction.

Web Resources

[Return to top](#)

Export-Import Bank of the United States: <http://www.exim.gov>

Country Limitation Schedule: http://www.exim.gov/tools/country/country_limits.html

OPIC: <http://www.opic.gov>

Trade and Development Agency: <http://www.tda.gov/>

SBA's Office of International Trade: <http://www.sba.gov/oit/>

USDA Commodity Credit Corporation: <http://www.fsa.usda.gov/cc/default.htm>

U.S. Agency for International Development: <http://www.usaid.gov>

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 8: Business Travel

- [Business Customs](#)
- [Travel Advisory](#)
- [Visa Requirements](#)
- [Telecommunications](#)
- [Transportation](#)
- [Language](#)
- [Health](#)
- [Local Time, Business Hours and Holidays](#)
- [Temporary Entry of Materials and Personal Belongings](#)
- [Web Resources](#)

Business Customs

[Return to top](#)

2005 was a calm year compared to 2004 which was an upbeat year for Portugal both culturally and economically. Various infrastructures were upgraded to host two international events, the Rock in Rio and the European Football Cup, both held in the summer of 2004. Portugal was left with a good road system and one of the best wireless telecommunications systems in Europe. In the summer of 2006 Portugal will once again host the Rock in Rio Mega Concert as well as the sub-21 European Football Cup.

Courtesy, in business and other spheres, is simply expected and easily extended. Legal contracts don't have the strength in business associations that personal confidence, built over years of experience, offers. Aggressiveness is not acceptable in marketing because it may be interpreted as socially offensive. Pragmatism, of the American variety, is respected but only when presented as a possible option, not as a hard sell.

The Portuguese business community is very formal and titles such as Doctor, Engineer, and Architect are commonly used. Make sure you ask the title of the person you are meeting with and always use it with the person's last name. Writing in red ink is considered an insult and therefore never used in the business community. When greeting a businessperson a handshake is proper.

In terms of everyday business the Portuguese are correct and civil. They respect the time of their appointments and expect the same from others. They are thorough to a fault, often poring over all the documents relative to a negotiation, and not too ready "to just hit the highlights". This is done partly to be careful (conservative) but also to demonstrate their grasp of the matter - exhibiting pedantic merit rather than pragmatic merit. Many Portuguese speak two, often three languages, English being the preferred second language.

Housing in Portugal is at European standards but so are the rents. Executive location costs in Portugal are now in the same category as any major commercial center in the

European Union.

Food supplies are plentiful though there are seasonal variations in prices for perishable items. Supermarkets are fully stocked. Prices are very close to those found in the United States and often exceed them for packaged goods.

Travel Advisory

[Return to top](#)

There are no travel advisories for Portugal nor have there been for many years.

Visa Requirements

[Return to top](#)

No visas are required to visit Portugal for stays of 90 days or less. U.S. Companies that require travel of foreign businesspersons to the United States should allow sufficient time for visa issuance if required. Visa applicants should go to the following links.

State Department Visa Website: <http://travel.state.gov/visa/index.html>

United States Visas.gov: <http://www.unitedstatesvisas.gov/>

American Embassy Lisbon: <http://www.american-embassy.pt/conssex.html>

U.S. Companies that require travel of foreign businesspersons to the United States should be advised that security options are handled via an interagency process. Visa applicants should go to the following links.

State Department Visa Website: <http://travel.state.gov/visa/index.html>

United States Visas.gov: <http://www.unitedstatesvisas.gov/>

U.S. Consulate General in Lisbon: <http://www.american-embassy.pt/>

International mailing address

Secção Consular

Embaixada dos Estados Unidos da América

Apartado 4258

1507 Lisboa

Portugal

Codex. Mail from the U.S.

Consular Section
PSC 83 Box CON
APO, AE 09726.

Telephone/FAX Numbers

Consular Main Number	351-21-727-3300
Consular (Consul) FAX Number	351-21-727-2354
Consular (FBU) FAX Number	351-21-726-8696
Consular (VISA) FAX Number	351-21-727-1500
After Hours/ Emergency	351-21-770-2222

The American Consular Agency in Madeira

Rua da Alfândega, no.10-2nd Floor, Rooms A+B,
9000-059 Funchal
Madeira, Portugal

The Consulate's Hours

9:00am – 1:00pm Mon-Fri

International Mailing Address

American Consular Agency
Apartado 571
9001-906 Funchal
Madeira, Portugal

Telephone/FAX Number

Consular Main Number	351-291-235-636
Consular FAX Number	351-291-229-360

Portugal is a fully "wired" country with regard to communications, making available all the services found anywhere else in Europe: long-distance calls on Stateside credit cards; cellular telephones (can be rented from Vodafone at the airport departures area); video-conferencing in state-of-the-art facilities; Internet services; e-mail, etc.

Transportation

[Return to top](#)

Portugal has direct airline connections from Lisbon with all the major cities in the European Union, New York, Boston and Newark in the United States, a number of Portuguese-speaking countries in Africa, and with the major cities in Brazil. Porto serves fewer cities directly in the European Union, none in North America, but does serve major cities in Brazil.

Language

[Return to top](#)

Many Portuguese speak two, often three languages, English being the preferred second language. English is a widely spoken second language in Portugal and American business travelers generally can conduct their meetings with business and government contacts in English.

Health

[Return to top](#)

Health care in Portugal is a constitutional right, which means that the public health facilities are overburdened, and, therefore, not able to offer the level of service considered normal in the United States. There are a number of private clinics and small private hospitals that are adequate, plus there are several new hospitals planned to be built until 2008 to offer better conditions to the patients.

Local Time, Business Hours, and Holidays

[Return to top](#)

Local time is Greenwich Mean Time (GMT) – the same as London. Normal business hours are from 09:00 AM through 06:00 PM. Stores are open from 09:00 AM to 07:00 PM but shopping malls operate from 10:00 AM to 11:00 PM everyday of the week and on public holidays (except for Christmas and New Year).

The American Embassy in Lisbon is open from 08:00 AM to 05:00 PM and it is closed for business on both American (A) and Portuguese (P) holidays.

LEGAL HOLIDAYS FOR 2006

The Embassy is closed for business on both American (A) and Portuguese (P) holidays.

Listed below are the holidays that will be observed by the Mission in 2006:

January 1	P	Sunday	New Year's Day
January 2*	A	Monday	New Year's Day
January 16	A	Monday	Birthday of Martin Luther King, Jr
February 20	A	Monday	Washington's Birthday
February 28	P	Tuesday	Carnival
April 14	P	Friday	Good Friday
April 16	P	Sunday	Easter
April 25	P	Tuesday	Liberty Day
May 1	P	Monday	May Day
May 29	A	Monday	Memorial Day
June 5	P	Monday	Espirito Santo Day (<u>In Azores Only</u>)
June 10	P	Saturday	Portugal Day
June 13	P	Tuesday	St. Anthony's Day (<u>In Lisbon Only</u>)
June 15	P	Thursday	Corpus Christi
July 4	A	Tuesday	Independence Day
August 15	P	Tuesday	Assumption Day
August 21	P	Monday	Funchal Day (<u>In Funchal Only</u>)
September 4	A	Monday	Labor Day
October 5	P	Thursday	Proclamation of the Portuguese Republic
October 9	A	Monday	Columbus Day
November 1	P	Wednesday	All Saints' Day
November 10	A	Friday	Veterans Day
November 23	A	Thursday	Thanksgiving Day
December 1	P	Friday	Restoration of Portuguese
Independence			
December 8	P	Friday	Feast of Immaculate Conception
December 25	P/A	Monday	Christmas Day

**January 1, 2006, (the legal public holiday for New Year's Day) falls on a Sunday. Monday, January 2, 2006, will be treated as a holiday.*

Temporary Entry of Materials and Personal Belongings

[Return to top](#)

Personal belongings may enter the country without barriers imposed by the Portuguese Customs. If Portuguese Customs see that personal belongings are of very high value (such as jewelry, and other high end electronic material) they may require a money guaranty that will be reimbursed when leaving the country.

Entry of materials to hand out at trade shows such as promotional literature, gadgets, tourism and technical information and brochures may enter the country but the company carrying these will have to fill out a customs request to bring these into the country and hand them out.

Companies that plan to Temporarily bring of materials and equipment, which is not for sale, will be requested to fill out a formal request of Temporary Importation of Products. The Portuguese Customs Authority supplies this form upon entering the country. This will enable the U.S. company to take the equipment back without having to pay customs. If the equipment is sold while in Portugal, the U.S. company will have to pay the duties inherent to the specific equipment.

Web Resources

[Return to top](#)

www.buyusa.gov/portugal

www.export.gov

www.american-embassy.pt

U.S. exporters seeking general export information/assistance or country-specific commercial information should consult with their nearest **Export Assistance Center** or the **U.S. Department of Commerce's Trade Information Center** at (800) USA-TRADE, or go to the following website: <http://www.export.gov>.

To the best of our knowledge, the information contained in this report is accurate as of the date published. However, **The Department of Commerce** does not take responsibility for actions readers may take based on the information contained herein. Readers should always conduct their own due diligence before entering into business ventures or other commercial arrangements. **The Department of Commerce** can assist companies in these endeavors.

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 9: Contacts, Market Research, and Trade Events

- [Contacts](#)
- [Market Research](#)
- [Trade Events](#)

Contacts

[Return to top](#)

U.S. Embassy Trade Related Contacts:

Gregory S. Taevs
U.S. Commercial Attaché
Ext. 2526

American Embassy Lisbon
U.S. Commercial Service
Av. das Forças Armadas
Sete Rios
1600-081 Lisbon, Portugal
Phone: (+351) 217 273 300
Fax: (+351) 217 268 914

American Embassy Lisbon
U.S. Commercial Service
PSC 83 Box FCS
APO AE 09726

or

U.S. Commercial Service in Porto
Av. da Boavista, 3523, 5º Sala 501
4100-139 Porto, Portugal
Phone: (351-22) 618 6607
Fax: (351-22) 618 6625

U.S. Commercial Service Websites:

<http://www.buyusa.gov/portugal>

<http://www.export.gov/cs>

Other U.S. Embassy Contacts:

Cari Enav
Economic Officer
Ext. 2242

Steve Hammond
Agricultural Counselor
Ext. 2356
(Resident in Madrid)

Office of Defense Cooperation
(Same address as U.S. Commercial Service)
Tel: (351-21) 770-2276
Fax: (351-21) 726-8913

International Mail:

PSC 83
APO AE 09726

U.S. Embassy Military Contacts

Office of Defense Attaché: Col. Rick Villalobos

Chief, ODC: Capt. Francis Winkel (SUN), ext. 2277
Chief, Army Section: Maj. Armando Ramirez (USA), ext. 2251
Chief, Air Force Section: Lt. Col. Henry Stish (USAF), ext. 2233
Chief, Navy Section: CDR Von Webber Freeman (USN), ext. 2261

Amcham and Bilateral Business Councils

Portugal-U.S. Chamber of Commerce
5 West 45th Street
New York, NY 10036
Tel. (212) 354-4627
Fax: (212) 575-4737

American Chamber of Commerce in Portugal
Rua D. Estefânia, 155-5.E
1000 Lisbon, Portugal
Tel: (351-21) 357 25 61
Fax: (351-21) 357 25 80
Contact: Dr. Henrique Brito do Rio, Executive Secretary

Trade or Industry Associations in Key Sectors

Associação Comercial de Lisboa
(Lisbon Commercial Association)
Rua das Portas de Santo Antão, 89
1150 Lisbon
Tel: (351-21) 342 32 77
Fax: (351-21) 342 43 04

Câmara de Comércio e Indústria do Porto

(Porto Chamber of Commerce and Industry)
Palácio da Bolsa
Rua Ferreira Borges
4000 Porto
Tel: (351-22) 339 90 00
Fax: (351-22) 339 90 90

Associação Empresarial de Portugal
(Portuguese Business Association)
Av. da Boavista, 2671
4100 Porto
Tel: (351-22) 998 15 37
Fax: (351-22) 998 16 39

Associação Industrial Portuguesa
(Portuguese Industrial Association)
Rua do Bojador – Parque das Nacoes
1998-Lisboa
Tel: (351-21) 892 15 22
Fax: (351-21) 363 90 47

R. Oliveira Monteiro, 453
4050 Porto
Tel: (351-22) 600 64 48
Fax: (351-22) 606 49 82

Associação Industrial Portuense
(Porto Industrial Association)
Exponor
Feira International do Porto
4450 Leça da Palmeira
Tel: (351-22) 996 15 30
Fax: (351-22) 996 42 13

Confederação dos Agricultores de Portugal (CAP)
(Portuguese Confederation of Farmers)
Av. Colegio Militar, Lt. 1786
1500 Lisbon
Tel: (351-21) 710 00 00
Fax: (351-21) 716 61 23

Confederação do Comércio Português (CCP)
(Portuguese Business Confederation)
Av. Vasco da Gama, 29
1400 Lisbon, Portugal
Tel: (351-21) 302 05 08/60
Fax: (351-21) 302 06 15

Confederação da Indústria Portuguesa (CIP)
(Portuguese Industrial Confederation)

Av. 5 de Outubro, 35 - 1
1050 Lisbon, Portugal
Tel: (351-21) 316 47 00
Fax: (351-21) 354 50 94

Portuguese Government Agencies

Ministry of Agriculture, Rural Development and Fisheries (MADRP)
(Ministerio da Agricultura, Desenvolvimento Rural e Pescas)
Praça do Comércio
1100 Lisbon, Portugal
Tel: (351-21) 346 31 51
Fax: (351-21) 347 78 90

Direcção Geral de Fiscalização e Controlo da Qualidade Alimentar
(General Directorate for Food Quality Control and Supervision)
Av. Conde de Valbom, 98
1050 Lisbon, Portugal
Tel: (351-21) 798 36 00
Fax: (351-21) 798 38 34

Secretario de Estado de Agricultura e Desenvolvimento Rural
(Secretary of State for Agriculture and Rural Development)
Praça do Comércio
1100 Lisbon, Portugal
Tel: (351-21) 346 33 66
Fax: (351-21) 342 03 71

IFADAP - Instituto Financeiro de Apoio ao Desenvolvimento da Agricultura e Pescas
(Financial Institute for Assistance to Agricultural and Fishing Development)
Av. João Crisóstomo, 11
1000 Lisbon, Portugal
Tel: (351-21) 311 62 00
Fax: (351-21) 352 80 30

Secretaria de Estado das Pescas
(Secretary of State for Fisheries)
Av. Brasília, (Alges, Praia)
1400 Lisbon, Portugal
Tel: (351-21) 301 33 91
Fax: (351-21) 301 65 16

Direcção Geral de Pescas
(General Directorate for Fisheries)
Edifício Vasco da Gama
Doca de Alcântara
1350 Lisbon, Portugal
Tel: (351-21) 391 35 83
Fax: (351-21) 397 97 90/1

Ministerio do Ambiente

(Ministry of the Environment)
Rua do Século, 51-2º
1200 Lisbon, Portugal
Tel: (351-21) 323 25 00
Fax: (351-21) 323 25 31

Secretário de Estado do Ambiente e do Consumidor
(Secretary of State for the Environment)
Rua do Século, 51-2º
1200 Lisbon, Portugal
Tel: (351-21) 323 15 00
Fax: (351-21) 323 25 88

Direcção Geral do Ambiente
(General Directorate for the Environment)
Murgueira, Zambujal
Alfragide
2720 Amadora, Portugal
Tel: (351-21) 472 8200
Fax: (351-21) 471 9074

Instituto da Água
(Water Institute)
Av. Almirante Gago Coutinho, 30
1000 Lisbon, Portugal
Tel: (351-21) 843 00 00
Fax: (351-21) 847 35 71

Instituto de Meteorologia
(Institute of Meteorology)
Rua C, 5- Aeroporto de Lisboa
1700 Lisbon, Portugal
Tel: (351-21) 848 39 61
Fax: (351-21) 840 23 70

Ministry of Economy (ME)
Direcção-Geral das Relações Económicas e Internacionais
(General Directorate of Economic and International Relations)
Av. da Republica, 79-5º
1050 Lisbon, Portugal
Tel: (351-21) 793 30 02
Fax: (351-21) 793 05 08

Investimento, Comércio e Turismo de Portugal – ICEP
(Portugal Foreign Trade Institute, Ministry of Economy)
Av. 5 de Outubro, 101/103
1050 Lisbon Codex, Portugal
Tel: (351-21) 790 95 00
Fax: (351-21) 795 00 38

Direcção Geral do Turismo

(General Directorate of Tourism)
Av. António Augusto de Aguiar, 86
1050 Lisbon, Portugal
Tel: (351-21) 357 50 86
Fax: (351-21) 353 85 19

Instituto Nacional de Engenharia e
Tecnologia Industrial
(Engineering and Technological Institute)
Estrada do Paço do Lumiar
1649-038 Lisboa Codex, Portugal
Tel: (351-21) 716 51 41
Fax: (351-21) 716 09 01

Praça do Príncipe Real, 19
1269 Lisboa, Portugal
Tel: (351-21) 322 47 10
Fax: (351-21) 342 33 62

Instituto Nacional Geológico e Mineiro
(Directorate of Mines and Geological Services)
Rua Almirante Barroso, 38
1049-025 Lisboa, Portugal
Tel: (351-21) 353 75 96
Fax: (351-21) 353 77 09

Secretário do Estado da Indústria e Energia
(Secretary for Industry and Energy)
Av. da Republica, 79-9.
1050-243 Lisbon, Portugal
Tel: (351-21) 791 17 50
Fax: (351-21) 796 34 27

Direcção-Geral da Indústria
(General Directorate of Industry)
Av. Conselheiro Fernandes Sousa, 11
1070 Lisbon, Portugal
Tel: (351-21) 389 00 00
Fax: (351-21) 383 10 42

IAPMEI - Instituto de Apoio às Pequenas e Médias
Empresas e ao Investimento
(Small Business Administration)
Rua Rodrigo da Fonseca, 73
1099-063 Lisbon, Portugal
Tel: (351-21) 383 60 00
Fax: (351-21) 383 62 83

Direcção Geral de Energia
(General Directorate of Energy)
Av. 5 de Outubro, 87

1069-039 Lisboa, Portugal
Tel: (351-21) 792 27 00
Fax: (351-21) 793 95 40

Instituto Nacional de Propriedade Industrial
(National Institute of Industrial Property)
Campo das Cebolas
1149-035 Lisboa, Portugal
Tel: (351-21) 888 11 01
Fax: (351-21) 887 53 08

Fundacao Portuguesa das Comunicacoes
(Portuguese Foundation of Communications)
Rua D. Luis I, 22
1200 Lisboa
Tel: (351-21) 393 50 00
Fax: (351-21) 393 50 09

Instituto Portugues da Qualidade
(Portuguese Quality Institute)
Rua Antº Galvão, 2
2829 Monte da Caparica, Portugal
Tel: (351-21) 294 81 00
Fax: (351-21) 294 81 01

Ministério do Trabalho e da Solidariedade
(Ministry of Labor)
Praça de Londres, 2
1000-190 Lisboa, Portugal
Tel: (351-21) 844 17 00
Fax: (351-21) 844 18 18

Inspecção Geral do Trabalho
(Inspector General of Employment)
Praça do Alvalade, 1-1º
1700 Lisbon, Portugal
Tel: (351-21) 797 51 76
Fax: (351-21) 795 70 58

Direcção Geral do Emprego e Formação Profissional
(General Directorate of Employment)
Praça de Londres, 2
1000-190 Lisboa, Portugal
Tel: (351-21) 844 11 00
Fax: (351-21) 847 00 27

Instituto do Emprego e Formação Profissional
(Institute of Employment)
Av. José Malhoa, 11
1099-018 Lisbon, Portugal
Tel: (351-21) 722 70 00

Fax: (351-21) 722 70 09

Ministério das Finanças
(Ministry of Finance)
Av. Infante D. Henrique, 1
1100-278 Lisboa, Portugal
Tel: (351-21) 888 46 75
Fax: (351-21) 886 23 60

Gabinete do Secretário de Estado Orçamento
(Secretary of State for the Budget)
Av. Infante D. Henrique
1100 Lisbon, Portugal
Tel: (351-21) 888 46 75
Fax: (351-21) 886 36 58

Direcção Geral de Estudo e Previsão
(General Directorate of Study and Prevision)
Rua da Alfândega, 5-2º
1100 Lisbon, Portugal
Tel: (351-21) 881 11 95
Fax: (351-21) 887 82 27

Direcção Geral das Alfandegas
(Bureau of Customs)
Rua da Alfandega, 5
1149-006 Lisboa, Portugal
Tel: (351-21) 886 81 85
Fax: (351-21) 887 83 35

Ministry of Justice (MJ)
Ministerio da Justiça
(Ministry of Justice)
Praça do Comercio
1149-019 Lisboa, Portugal
Tel: (351-21) 322 23 00
Fax: (351-21) 346 76 92

Registo Nacional das Pessoas Colectivas
(National Registry)
Praça Silvestre Pinheiro Ferreira, 1-C
Apartado 1501-803 Lisboa, Portugal
Tel: (351-21) 774 12 75
Fax: (351-21) 778 3724 / 774 12 64

Ministry of Equipment, Planning and Territorial Administration (MEPAT)
Ministerio do Equipamento, Planeamento e Administracao do Territorio
Rua de S. Mamede ao Caldas, 21
1100-533 Lisboa, Portugal
Tel: (351-21) 886 11 19

Fax: (351-21) 886 18 95

Secretario de Estado dos Transportes
(Secretary of State for Transportation)
Rua de S. Mamede ao Caldas, 21
1149-050 Lisbon, Portugal
Tel: (351-21) 886 11 19
Fax: (351-21) 886 18 95

Secretario de Estado das Obras Publicas
(Secretary of State of Public Works)
Rua de S. Mamede ao Caldas, 21
1149-050 Lisbon, Portugal
Tel: (351-21) 886 11 19
Fax: (351-21) 886 23 16

Secretaria do Estado da Habitação e Comunicações
(Secretary for Housing and Communication)
Rua de S. Mamede ao Caldas, 21
1149-505 Lisbon, Portugal
Tel: (351-21) 886 50 77
Fax: (351-21) 886 23 00

Direcção-Geral de Aviação Civil
(General Directorate of Civil Aviation)
Ed. 4/6, Rua B, Aeroporto de Lisboa
1700 Lisbon, Portugal
Tel: (351-21) 842 35 00
Fax: (351-21) 840 23 98

Direcção-Geral de Transportes Terrestres
(General Directorate of Surface Transportation)
Av. Forças Armadas, 40
1649-022 Lisbon, Portugal
Tel: (351-21) 794 90 00
Fax: (351-21) 793 62 57

Instituto das Comunicações de Portugal - ANACOM
(Portuguese Communications Institute)
Av. Jose Malhoa, 12
1099-017 Lisbon, Portugal
Tel: (351-21) 721 00 14
Fax: (351-21) 721 10 01

Laboratorio Nacional de Engenharia Civil
(National Laboratory of Civil Engineering)
Av. do Brasil, 101
1700-066 Lisbon, Portugal
Tel: (351-21) 848 21 31
Fax: (351-21) 849 76 60

Instituto Nacional de Estatística
(National Institute of Statistics)
Av. Antonio Jose de Almeida
1000-043 Lisbon, Portugal
Tel: (351-21) 842 61 00
Fax: (351-21) 842 63 80

Fundação para a Ciência e a Tecnológica
(Science and Technology Foundation)
Av. D. Carlos I, 126-2º
1200-651 Lisbon, Portugal
Tel: (351-21) 392 43 00
Fax: (351-21) 390 74 81

Ministerio da Saude
Ministry of Health (MS)
Av. João Crisostomo, 9
1093 Lisbon, Portugal
Tel: (351-21) 330 50 00
Fax: (351-21) 330 50 03

Secretario de Estado da Saude
(Secretatry of State for Health)
Av. João Crisostomo, 9-5º
1000 Lisbon, Portugal
Tel: (351-21) 354 45 60
Fax: (351-21) 353 66 87

Direcção Geral de Saude
(General Directorate of Health)
Alameda D. Afonso Henriques, 45
1049-005 Lisbon Codex, Portugal
Tel: (351-21) 843 05 00
Fax: (351-21) 843 05 30

Ministerio da Defesa
(Ministry of Defense, National Directorate for Armament and Equipment)
Director Nacional do Armamento
e Equipamento
Avenida Ilha da Madeira 1
1400 Lisboa, Portugal
Tel: (351-21) 301 00 01

Army:
Divisão de Logistica (Logistics Division)
Estado-Maior do Exército
Rua Museu de Artilharia
1100 Lisboa, Portugal
Tel: (351-21) 888 21 31

Navy:

Chefe de Divisão de Logística (Chief, Logistics Division)
Estado-Maior da Armada
Praça do Comércio
1100 Lisboa, Portugal
Tel: (351-21) 347 62 38

Air Force:
Chefe da Quarta Divisão (Logística)
(Chief of Logistics Division)
Estado-Maior da Força Aérea
Avenida Leite de Vasconcelos
Alfragide
2720 Amadora, Portugal
Tel: (351-21) 471 57 94

Offsets:

Empresa Portuguesa de Defesa (Portuguese Defense Co.)
(Empordef)
Avenida Júlio Dinis, 9-11
1050 Lisboa, Portugal

Investimentos, Comércio e Turismo de Portugal (ICEP)
(Portuguese Foreign Trade Institute)
Direcção de Desenvolvimento de Mercados
Avenida 5 de Outubro, 101
1050 Lisboa, Portugal
Tel: (351-21) 790 95 00

Banks and Stock Exchange

Banco de Portugal
Rua Francisco Ribeiro, 2
1150-165 Lisbon, Portugal
Tel: (351-21) 346 29 31
Fax: (351-21) 346 48 43

Bolsa de Valores de Lisboa
(Lisbon Stock Exchange)
Rua Soeiro Pereira Gomes
Edifício da Bolsa
1649-017 Lisbon, Portugal
Tel: (351-21) 790 99 04
Fax: (351-21) 795 20 22

Bolsa de Valores do Porto
(Porto Stock Exchange)
Av. da Boavista, 3433
4149-017 Porto, Portugal
Tel: (351-22) 618 58 58

Fax: (351-22) 618 55 66

Commercial Banks

Banco Comercial Português, SA
Rua Augusta 62/74
1100 Lisbon, Portugal
Tel: (351-21) 342 73 81
Fax: (351-21) 342 16 77

Banco Borges & Irmão (Grupo BPI)
Praça do Município, 31
1100 Lisbon, Portugal
Tel: (351-21) 322 65 00

Banco Espírito Santo
Av. da Liberdade, 195
1250 Lisbon, Portugal
Tel: (351-21) 315 83 31
Fax: (351-21) 350 89 15

Banco Essi, SA
Torre 3, Tierno Galvan 14º
1070 Lisbon, Portugal
Tel: (351-21) 380 85 00
Fax: (351-21) 388 82 59

Banco Finantia, SA
Rua Gen. Firmino Mig, 5, 1
1600 Lisbon, Portugal
Tel: (351-21) 720 20 00
Fax: (351-21) 726 53 10

Banco Finibanco
Av. Berna, 10
1050 Lisbon, Portugal
Tel: (351-21) 790 28 00
Fax: (351-21) 790 28 01

Banco Fonsecas & Burnay SA (Grupo BPI)
Praça do Comércio, 132
1100 Lisbon, Portugal
Tel: (351-21) 321 37 00

Market Research Firms

A.C. Nielsen Co.
Rua D. Filipa Vilhena 38-3º
1049-004 Lisbon, Portugal
Tel: (351-21) 781 12 00

Fax: (351-21) 781 14 45

CEMASE

Av. Marquês de Tomar, 106, 3º E

1050-158 LISBOA

Tel: 351-21/793-2129

Fax: 351-21/796-5644

Consulmark - Gabinete Consultor de Marketing Lda.

Rua Pascoal de Melo 67-4º

1000-232 Lisbon, Portugal

Tel: (351-21) 843 90 62

Fax: (351-21) 843 90 62

Data E

Av. da Liberdade 244, 6

1250-149 LISBOA

Tel: (351-21) 355 32 80

Fax: (351-21) 356 09 51

Dun & Bradstreet Lusitana, Lda.

Rua Barata Salgueiro, 28, 3º

1250-044 LISBOA

Tel: (351-21) 314 66 36

Fax: (351-21) 315 75 51

Ecotel Portugal - Estudos de Mercado SA

Rua Alexandre Herculano, 9-4.

1150-005 Lisbon, Portugal

Tel: (351-21) 354 32 69

Fax: (351-21) 354 32 83

ESEO - E M Estudos de Mercado Lda.

Rua Marques da Fronteira, 76-5º

1070 Lisbon, Portugal

Tel: (351-21) 385 81 81

Fax: (351-21) 388 12 77

MARKTEST - Marketing, Organização e Formação Lda.

Rua S. José 183-2º

1169-116 Lisbon, Portugal

Tel: (351-21) 354 32 69

Fax: (351-21) 354 32 83

SELGEC

Rua Alexandre Herculano, 39, 1 D

1250-009 LISBOA

Tel: (351-21) 351 14 90

Fax: (351-21) 351 14 98

Publications

The following publications are useful sources of economic and commercial information:

Area Handbook for Portugal
Superintendent of Documents
U.S. Government Printing Office
Washington, D.C. 20402

TOP Export of Portugal
(English-Portuguese)
Jovitur, Lda.
Av. Infante Santo, 23 3 B
1300 Lisbon, Portugal

Estatísticas Indústrias
(Industrial Statistics)
Anuário Estatístico
(Statistical Yearbook)
Estatísticas do Comércio Externo
(Foreign Trade Statistics)

Instituto Nacional de Estatística
Av. Antonio Jose de Almeida
1000 Lisbon, Portugal

OECD Economic Surveys--Portugal
OECD Publications Center
1750 Pennsylvania Avenue, N.W.
Washington, D.C. 20006

International Customs Journal--Portugal
International Customs Tariff Bureau
Rue de l'Association, 38
B-1000 Brussels, Belgium

Business Report
Portugal-U.S. Chamber of Commerce
590 Fifth Av., third floor
New York, NY 10036
Tel: 212 354 4267/fax: 212 575 4737

Market Research

[Return to top](#)

To view market research reports produced by the U.S. Commercial Service please go to the following website: <http://www.export.gov/marketresearch.html> and click on Country and Industry Market Reports.

Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required, but free of charge.

Trade Events

[Return to top](#)

Please click on the link below for information on upcoming trade events.

<http://www.export.gov/tradeevents.html>

http://www.buyusa.gov/portugal/en/trade_events_in_portugal.html

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 10: Guide to Our Services

The U.S. Commercial Service offers customized solutions to help your business enter and succeed in markets worldwide. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers

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<http://www.buyusa.gov/portugal/en/>

[Return to table of contents](#)

U.S. exporters seeking general export information/assistance or country-specific commercial information should consult with their nearest **Export Assistance Center** or the **U.S. Department of Commerce's Trade Information Center** at **(800) USA-TRADE**, or go to the following website: <http://www.export.gov>

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